

451. Also, resolution of the order of Benefit Association of Railway Employees, favoring support of the Pettengill bill (H. R. 8100); to the Committee on Interstate and Foreign Commerce.

452. By Mr. TREADWAY: Petition of employees of L. L. Brown Paper Co., Adams, Mass., protesting against the Black-Connery bill or similar 30-hour labor legislation; to the Committee on Labor.

453. By Mr. TRUAX: Petition of the Disabled American Veterans of the World War, Cuyahoga Chapter, Cleveland, Ohio, by their adjutant, David Wise, representing the sentiments of the 4,500 disabled veterans of Cuyahoga County, favoring the immediate payment of the adjusted-service certificates with the cancelation of all interest charges, and that they are 100 percent back of the American Legion and the Veterans of Foreign Wars in their fight for this cause; to the Committee on Ways and Means.

454. Also, petition of Jeff D. Patterson and many others from Toledo, Ohio, urging the Congress of the United States to enact the old-age-pension bill as sponsored and approved by Dr. J. E. Pope, editor of the National Forum and president of the National Old Age Pension Association and the Non-partisan Voters' Secret League, as embodied in House bill 2856, introduced by Representative WILL ROGERS, of Oklahoma, embracing the following: A Federal pension of \$30 to \$50 per month to every man and woman above the age of 55, financed on a contributory basis or a tax on the earnings of persons between the ages of 21 and 45; same to be free from State and local administration or interference; to be a Nation-wide, impartial, and uniform system of old-age pensions; to the Committee on Ways and Means.

455. Also, petition of Orphan's Hope Lodge, No. 466, Brotherhood of Locomotive Firemen and Enginemen, Dennison, Ohio, by their recording secretary, L. E. Barth, requesting that the Congress of the United States support and enact into law the following measures: Soldiers' bonus bill, full-crew bill, 6-hour day, unemployment insurance, pension bill, bus and truck regulations by Interstate Commerce Commission, train-length limit bill, and the modification of the hours-of-service law; to the Committee on Labor.

456. Also, petition of the United Brotherhood of Carpenters and Joiners of America, Local Union No. 224, Cincinnati, Ohio, by their secretary, Carl Poppe, strenuously opposing the applying of bulletin P. W. 23709, dated December 4, 1934 (sent to all State engineers of the Federal Emergency Administration of Public Works, outlining principles in order to facilitate the application of Public Works Administration labor and wage provisions and wage scale on open-shop carpentry work), on carpentry work on any Public Works Administration project, as this would be the ruination of union labor throughout the United States; to the Committee on Labor.

457. By Mr. WEAVER: Petition of various citizens of the Eleventh Congressional District of North Carolina, favoring the enactment of the Townsend old-age-pension legislation; to the Committee on Ways and Means.

## SENATE

MONDAY, JANUARY 28, 1935

(Legislative day of Monday, Jan. 21, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

### THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day of Friday, January 25, 1935, was dispensed with, and the Journal was approved.

### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hattigan, one of its clerks, announced that the House had passed a bill (H. R. 4304) to amend the Second Liberty Bond Act, as amended, and for other purposes, in which it requested the concurrence of the Senate.

### EXECUTIVE SESSION

Mr. ROBINSON. Mr. President, I presume under the unanimous-consent agreement—

The VICE PRESIDENT. The Senate resolves itself into executive session under the order of the Senate.

Mr. ROBINSON. I was just about to state, Mr. President, that automatically, under the agreement, the Senate will proceed to the consideration of executive business.

### EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received see the end of Senate proceedings.)

### EXECUTIVE REPORTS OF COMMITTEES

Mr. HAYDEN, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. McCARRAN, from the Committee on the Judiciary, reported favorably the nomination of William Denman, of California, to be United States circuit judge for the ninth circuit to succeed William B. Gilbert, deceased.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

### BUSINESS TRANSACTED AS IN LEGISLATIVE SESSION

During the executive session the following legislative business was transacted by unanimous consent:

### REPORT OF WAR FINANCE CORPORATION

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Treasury, reporting, pursuant to law, relative to the War Finance Corporation (in liquidation) covering the period from January 1, 1934, to December 31, 1934, which, with the accompanying papers, was referred to the Committee on Finance.

### WARD J. LAWTON

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Commerce, transmitting a draft of proposed legislation for the relief of Ward J. Lawton, special disbursing agent, Lighthouse Service, Department of Commerce, which, with the accompanying paper, was referred to the Committee on Claims.

### PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by the Senate of the State of Nebraska, memorializing Congress to include the building of free interstate bridges across the Missouri River as Public Works Administration projects, which was referred to the Committee on Commerce.

(See resolution printed in full when presented today by Mr. NORRIS.)

The VICE PRESIDENT also laid before the Senate the following concurrent resolution of the Legislature of the State of Oklahoma, which was referred to the Committee on the Library:

### House Concurrent Resolution 3

A concurrent resolution memorializing the President and Congress of the United States to establish a national memorial park on the site of the Battle of the Washita, near Cheyenne, in Roger Mills County

Whereas the United States Public Works Administration, under the direction of the Department of the Interior, is at the present time engaged in the acquisition of a site for, and the construction of, a dam on the Washita River for flood-control and irrigation purposes; and

Whereas adjacent to the site of said proposed dam lies the site of the Battle of the Washita, fought in 1868 between the Seventh United States Cavalry, under the command of Gen. George A.

Custer, and members of the Cheyenne, Arapaho, Kiowa, Comanche, and Apache Indians, under the lead of Chiefs Black Kettle, Little Rock, Little Raven, Roman Nose, Lone Wolf, Santanta, and other prominent chiefs of these tribes; and

Whereas the outcome of said battle had the effect of making safe the frontier of western Oklahoma for white settlement and the advancement of civilization; and

Whereas the indomitable spirit, courage, and fortitude of both the American pioneers and the Indian natives is typified by the noble stand made by each of them; and

Whereas the site of said battle is at the present time undergoing settlement; and

Whereas this battle should be commemorated as an occasion of great historical interest, both to the people of Oklahoma and the United States: Now, therefore, be it

*Resolved by the House of Representatives of the Fifteenth Legislature of the State of Oklahoma (the senate concurring therein), That the President and Congress of the United States be memorialized by the people and Legislature of Oklahoma, to complete as soon as possible the acquisition of the site for, and the construction of, the irrigation and flood-control dam on the Washita River, and to establish, maintain, and improve a national memorial park on the site of the historical Battle of the Washita, fought between the Seventh United States Cavalry, under the command of Gen. George A. Custer, and members of the Cheyenne, Arapaho, Kiowa, Comanche, and Apache Indians, under the lead of Chiefs Black Kettle, Little Rock, Little Raven, Roman Nose, Lone Wolf, Santanta, and other prominent chiefs of these tribes; and be it further*

*Resolved, That copies of this resolution be mailed by the secretary of state to the President of the United States, and to the Chief Clerk of both the House of Representatives and the Senate of the United States; to each Member of the Oklahoma delegation in Congress; to the Secretary of the Department of the Interior; to the Chief Administrator of the Public Works Administration; to the Director of National Parks, Buildings, and Reservations; and to the Chief of the Historical Division of the Department of the Interior.*

Adopted by the house of representatives on the 18th day of January 1935.

Adopted by the senate on the 17th day of January 1935.

LEON C. PHILLIPS,  
Speaker of the House of Representatives.  
JAMES E. BEERY,  
President of the Senate.

Correctly enrolled.

LOUIE W. BECK,  
Chairman Committee on Enrolled and Engrossed Bills.

The VICE PRESIDENT also laid before the Senate a telegram from the secretary of the Senate of the State of Washington, embodying a memorial of the State legislature, which was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

OLYMPIA, WASH., January 23, 1935.

HON. FRANKLIN D. ROOSEVELT,  
President of the United States,  
Washington, D. C.:

The Legislature of the State of Washington has just passed the following memorial:

"We, your memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, most respectfully represent and petition as follows:

"Whereas there is in the eastern section of the State of Washington a tract of approximately 1,200,000 acres of arid land which if brought under cultivation would greatly increase the wealth of the Nation generally and the Northwest in particular; and

"Whereas the irrigation of this tract is desirable for the reason that such improvement will immediately furnish direct employment for thousands of men in its construction and when completed will furnish thousands of small farms of high productivity; and

"Whereas farmers in many parts of the United States are suffering for want of regular annual crops because of loss of soil through erosion, exhaustion, drought, and other causes; and

"Whereas the national administration already is bringing about the withdrawal of so-called 'marginal and submarginal' lands of the kind described and the substitution of fertile lands where lack of moisture, barrenness, and similar drawbacks do not present themselves; and

"Whereas the so-called 'Columbia Basin tract' of 1,200,000 acres offers the greatest opportunity in the Nation for the establishment of a new empire with a truly electrified rural community, better homes, and a deserved place in the finally adopted national plan for long-range-power farm and rural-life development; and

"Whereas President Roosevelt already has taken a step for the building of a great combined power and irrigation project by making an initial allocation of \$63,000,000 for a key dam over the Columbia River at Grand Coulee; and

"Whereas to provide for completion of the combined power and irrigation project will require an immediate order for alterations in the dam foundations and for other orders for starting work on the irrigation phases of the development; and

"Whereas the Senate and House of Representatives of the State of Washington does herewith commend President Roosevelt for his vision in conceiving the Columbia River project in

its entirety as a vital component part in a rounded plan of national resources development and projection and for his courage and wisdom in translating this vision into the course of action along which he is proceeding: Therefore

"Your memorialists, the Senate and House of Representatives of the State of Washington, adopting all contained in the preamble hereof most earnestly declare in favor of the Federal Government immediately proceeding with the project in its entirety as was contemplated by President Roosevelt when he allocated \$63,000,000 for the unit for which contract has been let and which is now under construction;

"That the foundation plans be immediately altered as may be necessary to proceed with construction of the dam to the ultimate height contemplated by the United States Army Engineers; and further

"That provision be made for proceeding immediately with the work of building dams for reservoir and laterals for irrigation.

"Now, therefore, the secretary of the Senate of the State of Washington is authorized and directed to transmit without delay a copy herewith to the President of the United States and to each branch of the Congress and to each Senator and Representative in Congress from the State of Washington.

"And your memorialists will ever pray."

HARRISON W. MASON,  
Secretary of State Senate.

The VICE PRESIDENT also laid before the Senate a letter in the nature of a memorial from Fanny T. Pickrell, of San Mateo, Calif., remonstrating against the enactment of the so-called "Townsend old-age pension bill", which was referred to the Committee on Finance.

He also laid before the Senate petitions of sundry citizens of Republic and Uniontown, Pa., praying for the enactment of legislation empowering the Bureau of Investigation of the Department of Justice to investigate all subversive activities of individuals and organizations, alien or otherwise, seeking or planning the overthrow of the Government by force or violence or other unlawful means, and also the deportation of all aliens advocating or planning the overthrow of the Government by force or violence, which were referred to the Committee on Immigration.

He also laid before the Senate a petition of sundry citizens of Roberts, Wis., praying for continuance of the investigation of the munitions industry, which was referred to the Special Committee on Investigation of the Munitions Industry.

He also laid before the Senate a letter in the nature of a memorial from William Evers, of Chicago, Ill., remonstrating against the ratification of the World Court protocols, which was ordered to lie on the table.

He also laid before the Senate numerous telegrams in the nature of memorials from sundry citizens of the States of Connecticut, Illinois, Kentucky, Massachusetts, Michigan, Minnesota, Missouri, New Jersey, New York, Ohio, and Pennsylvania, remonstrating against the ratification of the World Court protocols, which were ordered to lie on the table.

Mr. CAPPER presented a letter in the nature of a petition from the Kansas State Protective League of Women, Topeka, Kans., praying for the enactment of antilynching legislation, which was referred to the Committee on the Judiciary.

Mr. ASHURST presented the following memorial of the House of Representatives of the State of Arizona, which was referred to the Committee on Finance:

STATE OF ARIZONA,  
TWELFTH LEGISLATURE,  
HOUSE OF REPRESENTATIVES,  
REGULAR SESSION.

House Memorial 1

To the PRESIDENT AND CONGRESS OF THE UNITED STATES OF AMERICA: Your memorialist, the Legislature of the State of Arizona, respectfully represents:

Our Nation is suffering from the paralysis of industry and trade. The normal flow of commerce is obstructed, causing untold loss to basic industries and suffering and want to millions of citizens deprived of employment.

These deplorable conditions are so wide-spread that they are breeding a dangerous discontent, fostering un-Americanisms, and destroying the morale of the people to such an extent as to occasion apprehension for the safety of the Government.

It should be apparent that so long as the people have neither buying power nor the opportunity to create it, any effort to stimulate trade or industry must end in failure. All efforts to date have been either local in character or applied to the relief of certain classes of citizens, or designed to stabilize or stimulate certain trades or industries. Without decrying the limited and temporary benefits derived from such measures, we believe that in the end they can only fail to meet the Nation's needs.

The Townsend old-age revolving pension plan, which is simple, self-executing, self-liquidating, and Nation-wide in its application, is suggested as a practical means by which purchasing power may be immediately created, industry revived, and want and suffering dissipated. It contemplates no changes in the governmental structure nor the establishment of any new departments.

In support of this constructive proposal, we submit that the Townsend old-age revolving pension plan will fulfill the primary duty of the Government to provide a flexible, liquid, rapid-moving medium of exchange; make immediate openings for approximately 5,000,000 men to take the places vacated by as many pensioners; create 8,000,000 new jobs to supply the needs of that many persons who will be regularly expending \$200 per month each, thus practically reestablishing normal conditions of employment, and will greatly lessen necessary expenditures for relief and do away with a large part of the crime, as it will do away with the incentive for the crime which now curses the land. Wherefore your memorialist prays:

1. That careful investigation be made of the provisions of the Townsend old-age pension plan, and if the claims made for said plan are found to be justified, that it be enacted into the law.

2. That the proposed legislation be so drawn as to merely suspend and not repeal existing pension laws.

And your memorialist will ever pray.

Adopted by house January 22, 1935.

THOS. D. TWAY,  
Speaker of the House.  
LALLAN RUTH,  
Chief Clerk of the House.

Mr. NORRIS presented the following resolution of the Senate of the State of Nebraska, which was referred to the Committee on Agriculture and Forestry:

Resolution requesting the United States Government to establish a national arboretum at Nebraska City, Nebr.

Introduced by Senator Fred L. Carsten, of Cass

Whereas the rapid destruction of our forests and entirely inadequate reforestation efforts are bringing our State and Nation face to face with the serious dangers involved in wood shortage, rapidly increasing soil erosion, loss of subsoil moisture, and destruction of wildlife, not to mention the aesthetic values and opportunities for recreation lost by our lack of trees and shrubs; and

Whereas the United States Government has established a national arboretum near Washington where trees and woody shrubs from different parts of the world may be brought together, tested and compared to determine their relative merits for timber production, ornamental, and other purposes. There the laws of tree growth, reproduction, water conduction, nutrition, etc., and their relation to soil and other environmental conditions can be studied to excellent advantage; and

Whereas the Forest Service of the United States Department of Agriculture said in its recent report to Congress on the forest problem of the United States: "Since many of the results to be obtained in arboreta are applicable only in the climatic regions within which the arboreta are located, there should be arboreta in all such regions"; and

Whereas Nebraska City, Nebr., would be an ideal location for a national arboretum that would furnish the whole Middle West with the inspiration and information needed for a reforestation program; and Nebraska City has the additional advantages of having near it a great variety of terrain, so that within the bounds of the five hundred to a thousand acres needed could be found hill and valley, dry land, and streams, as well as being already widely known as the home of J. Sterling Morton, the founder of Arbor Day: Be it therefore

Resolved, That we, the Senate of the State of Nebraska, do hereby urge the United States Government to establish a national arboretum at Nebraska City, Nebr., and thus create an institution which will go far to assure the permanent success of the forestry program so badly needed in the Middle West.

Mr. NORRIS also presented the following resolution of the Senate of the State of Nebraska, which was referred to the Committee on Commerce:

Resolution memorializing the Congress of the United States to include building of free interstate bridges across the Missouri River as Public Works Administration projects

(Introduced by Senators Neumann, Dafeo, Howell, Sullivan, Carsten, Wells, Crowley, Jelen, and McMahon)

Whereas in many instances the United States of America, through its Public Works Administration, has considered Federal aid, in whole or in part, on intrastate bridges within the State of Nebraska feasible projects to alleviate distress of the inhabitants of this State, accentuated by the 1934 destructive drought; and

Whereas the effect of the withering drought still pinches our people, and work relief is imperative if our State is effectively to carry on until private industry can absorb our employables now out of jobs: Now, therefore, be it

Resolved by the Senate of the State of Nebraska in fiftieth session assembled,

1. That this house hereby respectfully petitions and memorializes the Congress of the United States to provide further assistance through its Public Works Administration to consider the immediate public necessity of 100-percent Federal participation in

free interstate-bridge projects across the Missouri River at South Sioux City, Nebr.; Blair, Nebr.; Omaha, Nebr.; Plattsmouth, Nebr.; Nebraska City, Nebr.; Louisville, Nebr.; Decatur, Nebr.; Brownville, Nebr.; and Rulo, Nebr., or at such other locations across said river as good engineering and public necessity require.

2. That the secretary of the senate is hereby ordered and directed forthwith to forward a copy of this resolution, properly authenticated and suitably engrossed, to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives, and to the United States Senators representing the State of Nebraska, and to the Congressmen in the House of Representatives of the United States representing the State of Nebraska, to take such steps as may be necessary to provide for free interstate bridges across the Missouri River and thus afford the citizens of our State immediate relief which is desperately needed.

Mr. NORRIS also presented the following resolution of the Senate of the State of Nebraska, which was ordered to lie on the table:

Resolution—participation in the World Court

(Introduced by Senators Edward Gillette, of Phelps; A. L. Neumann, of Burt; Charles J. Warner, of Lancaster; W. C. Bullard, of Red Willow; Rolla C. Van Kirk, of Lancaster; Frank J. Brady, of Holt; A. T. Howard, of Scotts Bluff; and Sam J. Howell, of Douglas)

Whereas the United States Senate is discussing the proposal that this Nation enter the World Court and subject its citizens to foreign interference in disputes involving international policy; and

Whereas it has been the policy through the history of this Nation for its citizens to reach their own decisions in international affairs through their duly elected representatives; and

Whereas we believe a majority of the citizens of Nebraska strongly oppose entrance of the United States into foreign entanglements: Be it

Resolved, That the Senate of the State of Nebraska record itself in opposition to United States participation in the World Court, and that the secretary of this senate immediately forward copies of this resolution to Nebraska's representatives in the United States Senate, Senators GEORGE W. NORRIS and EDWARD R. BURKE.

#### FUNDS OF HOME OWNERS' LOAN CORPORATION

Mr. BARBOUR. Mr. President, I ask unanimous consent to have printed in full in the RECORD and appropriately referred a brief resolution adopted by the council of the town of Harrison, N. J., urging an additional appropriation for the Home Owners' Loan Corporation.

There being no objection, the resolution was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

TOWN OF HARRISON,

Resolution by Councilman O'Malley

Whereas an appreciable number of residents of the town of Harrison, Hudson County, N. J., who have made application to the Home Owners' Loan Corporation for a mortgage loan upon their homes have received notice that their applications for a mortgage loan cannot be acted upon because the funds appropriated by Congress for the use of Home Owners' Loan Corporation has become exhausted: Therefore be it

Resolved by the council of the town of Harrison, in the County of Hudson and State of New Jersey: That the council respectfully petition and urge our duly elected Senators and Representatives to take such action as may be necessary to effectuate an additional appropriation of funds for use of the Home Owners' Loan Corporation; be it further

Resolved, That copies of this resolution be forwarded to United States Senators A. HARRY MOORE and WARREN A. BARBOUR and Representative FRED A. HARTLEY.

JOHN F. O'MALLEY.

JANUARY 22, 1935.

I, Francis J. McDonald, town clerk of the town of Harrison, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by the council of the town of Harrison, N. J., at a meeting held January 22, 1935.

In testimony whereof I have hereunto set my hand and the corporate seal of the town of Harrison this 24th day of January, A. D. 1935.

[SEAL]

FRANCIS J. McDONALD,  
Town Clerk.

#### THE WORLD COURT

Mr. WHITE. Mr. President, I ask unanimous consent to have inserted in the RECORD in full and to lie on the table resolutions adopted by the faculty of Colby College, in my State, favoring the ratification of the World Court protocol.

There being no objection, the resolutions were ordered to lie on the table and to be printed in the RECORD, as follows:

Whereas the United States has advocated the judicial settlement of certain types of international disputes since the time of the First Hague Conference in 1899; and

Whereas the World Court has been successfully applying the judicial method to the settlement of international disputes for 12 years; and

Whereas the Senate voted for our adherence to the Court in 1926 if certain conditions were met, and the United States signed, under Executive authority, the three pending World Court treaties, because, in the judgment of the Department of State and other competent bodies, they do fully meet the Senate's conditions and will, when ratified, complete our adherence: Therefore be it

*Resolved*, That the faculty of Colby College expresses its earnest hope that the Senate of the United States will give its consent early in the 1935 session to ratification of the three pending World Court treaties so that the United States may complete its adherence to the Court and thus make clear to all the world its support of the settlement of international disputes by judicial process.

#### REPORT OF A COMMITTEE

Mr. AUSTIN, from the Committee on the District of Columbia, to which was referred the bill (S. 406) to amend an act approved May 1, 1906, entitled "An act to create a board for the condemnation of insanitary buildings in the District of Columbia, and for other purposes", reported it with an amendment and submitted a report (No. 28) thereon.

#### BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LA FOLLETTE:

A bill (S. 1454) to authorize the Secretary of War to furnish bronze markers for certain graves; to the Committee on Military Affairs.

By Mr. HALE:

A bill (S. 1455) granting a pension to Hannah Collins; to the Committee on Pensions.

By Mr. THOMAS of Oklahoma:

A bill (S. 1456) to compensate the heirs of James Taylor, a deceased Cherokee Indian, for all their title, interest, or claim to certain lands in the State of North Carolina now held by the United States as a part of the forest reserve, and for other purposes; to the Committee on Indian Affairs.

A bill (S. 1457) granting a pension to Jack E. Teele (with accompanying papers); to the Committee on Pensions.

By Mr. DAVIS:

A bill (S. 1458) to empower the Government to write into the specifications and contracts the compensation to be paid to laborers and mechanics employed by contractors and subcontractors on public works of the United States and of the District of Columbia; to the Committee on Education and Labor.

By Mr. COOLIDGE:

A bill (S. 1459) for the relief of Ralph Adams Cram, Lydia B. Kimball, executrix under the last will and testament of Bertram G. Goodhue, deceased, and Donald G. Ferguson, administrator of the estate of Frank W. Ferguson, deceased (with accompanying papers); to the Committee on Claims.

By Mr. BYRD:

A bill (S. 1460) to fix standards for till baskets, Climax baskets, round-stave baskets, market baskets, drums, hampers, cartons, crates, boxes, barrels, and other containers for fruits or vegetables, to consolidate existing laws on this subject, and for other purposes; to the Committee on Agriculture and Forestry.

A bill (S. 1461) authorizing the Secretary of the Treasury to pay subcontractors for material and labor furnished in the construction of Government buildings at Fort Myer, Va.; to the Committee on Public Buildings and Grounds.

A bill (S. 1462) for the relief of the Butler Lumber Co., Inc., Richmond, Va.; and

A bill (S. 1463) conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on certain claims of Norfolk Southern Railroad Co.; to the Committee on Claims.

By Mr. WALSH:

A bill (S. 1464) for the relief of Frank P. Hoyt; to the Committee on Military Affairs.

By Mr. BULOW:

A bill (S. 1465) to create an Indian Claims Court for the immediate settlement of Indian tribal and band claims, defin-

ing the powers and functions thereof, and for other purposes; to the Committee on Indian Affairs.

By Mr. LA FOLLETTE:

A bill (S. 1466) to fix the hours of duty of postal employees, and for other purposes; to the Committee on Post Offices and Post Roads.

By Mr. WHITE:

A bill (S. 1467) granting a pension to Berger H. Shorey; to the Committee on Pensions.

By Mr. NYE:

A bill (S. 1468) for the relief of Charles Augustus Lathrop; to the Committee on Claims.

By Mr. HAYDEN:

A bill (S. 1469) to transfer certain lands from the Veterans' Administration to the Department of the Interior for the benefit of Yavapai Indians, Arizona; to the Committee on Military Affairs.

By Mr. BYRD:

A joint resolution (S. J. Res. 47) authorizing the President to present in the name of Congress a medal of honor to James A. Austin; to the Committee on Military Affairs.

#### HOUSE BILL REFERRED

The bill (H. R. 4304) to amend the Second Liberty Bond Act, as amended, and for other purposes, was read twice by its title and referred to the Committee on Finance.

#### INVESTIGATION OF FEDERAL LAND BANK, WICHITA, KANS.

Mr. THOMAS of Oklahoma submitted the following resolution (S. Res. 61), which was referred to the Committee on Agriculture and Forestry:

*Resolved*, That the Committee on Agriculture and Forestry of the United States Senate be, and is hereby, authorized and directed to investigate the Wichita (Kans.) Federal Land Bank and allied institutions and departments located at such bank, and more particularly as follows:

(a) The extent and nature of the supervision exercised over said Wichita (Kans.) Land Bank and allied institutions by the Farm Credit Administration located at Washington.

(b) The alleged illegal and detrimental influence used by the said Farm Credit Administration over the members of the board of directors of said Wichita Land Bank in the selection and election of a president of the said land bank.

(c) The charge that alleged influence of an improper kind is being used, knowingly or unknowingly, by the Farm Credit Administration located at Washington in an attempted coercion of the members of the board of directors of the said Wichita (Kans.) Land Bank to force such members to vote for a president selected by such Farm Credit Administration in advance and contrary to the wishes of the members of said board of directors, and the charge that the said person suggested for election is being promoted by banking and commercial influences.

(d) The extent, if any, of the alleged coercion of officials of said Wichita (Kans.) Land Bank in relation to matters of the selection and the discharge of employees.

(e) The alleged existence of a ring within the said Wichita, Kans., institution which is alleged to be in full control of the said institution and that said institution is being managed and manipulated from partisan political considerations.

(f) The alleged detrimental influence upon such institution exerted by the Farm Credit Administration located at Washington in keeping on the board of directors of the said Wichita Land Bank a member who is alleged to be disqualified to hold such position under the law, rules, and regulations governing said institution.

(g) The alleged interference of the Farm Credit Administration located at Washington with the board of directors and other administrative officials of said institution in the proper discharge of their duties under the law, rules, and regulations governing said institution.

(h) The cause of the alleged failure of said Wichita Land Bank in giving attention to and taking care of the applications for loans arising from the territory embraced within such Federal land-bank district.

(i) The extent, if any, to which detrimental partisan politics has influenced the policies and activities of said Wichita institution.

(j) The extent, if any, of the alleged charge that partisan politics has dictated and controlled the selection and employment of attorneys to represent the said Wichita Land Bank and allied institutions in the conduct of its business.

(k) The committee is authorized and directed to investigate all matters connected with said Wichita (Kans.) Federal Land Bank and allied institutions with a view to the formulation and submission of legislation for the consideration of the Congress.

For the purposes of this resolution the committee or any subcommittee thereof is authorized to hold hearings, to sit and act at such times and places during the sessions and recesses of the Congress until the final report is submitted, to require by sub-

pena, or otherwise, the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed \$10,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

#### HEARINGS BEFORE COMMITTEE ON CIVIL SERVICE

Mr. BULOW submitted the following resolution (S. Res. 62), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

*Resolved*, That the Committee on Civil Service, or any subcommittee thereof, hereby is authorized during the Seventy-fourth Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be held in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

#### INQUIRIES INTO DISASTERS AT SEA

Mr. WAGNER submitted the following resolution (S. Res. 63), which was referred to the Committee on Commerce:

Whereas on September 8, 1934, the steamship *Morro Castle*, within 6 hours of its scheduled arrival in the port of New York, was swept by fire at sea with the loss of many lives; and

Whereas on January 24, 1935, the steamship *Mohawk* went down at sea with the loss of many additional lives; and

Whereas various investigations already held and now being held in connection with the *Morro Castle* disaster and the loss of the *Mohawk*, when combined with the records of other maritime tragedies in recent years, create a prima facie case that remediable conditions exist which do not tend to produce the utmost practicable degree of safety from the perils encountered upon the sea; and

Whereas it is imperative that life and property be accorded the utmost attainable degree of safety from such perils: Therefore be it

*Resolved*, That a special select committee of five Senators, to be appointed by the President of the Senate, is authorized and directed (1) to collect, collate, coordinate, and make available to the Senate the results of (a) the inquiry into the *Morro Castle* disaster conducted by the Secretary of Commerce through the Steamboat Inspection Service of the Department of Commerce; (b) the inquiry into the *Morro Castle* disaster, and the actions taken in connection with or subsequent to such inquiry, by the United States attorney for the southern district of New York; (c) such inquiries into the *Mohawk* disaster as have been or may be conducted by the Secretary of Commerce through the Steamboat Inspection Service of the Department of Commerce and by the United States attorney for the southern district of New York, and the actions taken in connection with or subsequent to such inquiry; and (d) such other inquiries into the *Morro Castle* disaster, the *Mohawk* disaster, and other maritime tragedies as would, in the discretion of the committee, be helpful for the purposes of this resolution; (2) to make such further investigations of the *Morro Castle* and the *Mohawk* disasters, including the rescue operations carried on in connection therewith, as the committee shall deem advisable and necessary for the purposes of this resolution; (3) to investigate the adequacy and enforcement of the present legal standards of safety of ship construction and operation; (4) to investigate the prevalent methods and practices in the complementing of sea-going vessels, including all conditions of employment; (5) to investigate the adequacy and efficiency of the Steamboat Inspection Service; (6) to investigate whether the laws governing liability for loss of life and property at sea, the laws and usage of salvage, and the laws, usages, and practices of the business of marine insurance tend to encourage the installation and utilization of such devices and the promotion of such practices as are conducive to safety and to a paramount concern at all times for the preservation of life; and (7) to make a preliminary report of the results of its investigations as soon as practicable, to make further reports from time to time, but at least once during each regular session of the Senate until it has completed its investigations, and to submit a final report to the Senate, together with its recommendations for necessary legislation. The President of the Senate shall appoint members to fill any vacancies that may occur in the committee.

For the purposes of this resolution such committee or any duly authorized subcommittee thereof is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-fourth and succeeding Congresses until the final report is submitted, to employ such counsel, experts, and clerical, stenographic, and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, and to take such testimony and make such expenditures as it deems advisable. The cost of stenographic service to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of such committee, which shall not exceed \$50,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

#### JUDICIAL DISTRICTS IN MICHIGAN

Mr. VANDENBERG submitted the following resolution (S. Res. 64), which was referred to the Committee on the Judiciary:

Whereas there is great congestion in the district courts of the United States for the eastern district of Michigan; and

Whereas there is an apparent need for a fourth district judge in said eastern district of Michigan; and

Whereas the eastern and western districts of Michigan cover vast geographical areas; and

Whereas great inconvenience in conducting the business of the district courts of said districts results from the traveling made necessary by the vastness of such areas; and

Whereas it may be advisable to redistrict the State of Michigan, creating three judicial districts therein, instead of providing for a fourth judge in the eastern district of said State: Therefore be it

*Resolved*, That the Department of Justice is requested to investigate the advisability of such redistricting and to report to the Senate, as soon as practicable, the results of its investigation.

#### THE WORLD COURT

The Senate, in executive session, resumed the consideration of Executive A (71st Cong., 3d sess.), protocols concerning adherence of the United States to the Permanent Court of International Justice.

Mr. JOHNSON obtained the floor.

#### CALL OF THE ROLL

Mr. McNARY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

|          |           |             |               |
|----------|-----------|-------------|---------------|
| Adams    | Coolidge  | King        | Radcliffe     |
| Ashurst  | Costigan  | La Follette | Reynolds      |
| Austin   | Couzens   | Lewis       | Robinson      |
| Bachman  | Cutting   | Logan       | Russell       |
| Bailey   | Davis     | Loung       | Schall        |
| Bankhead | Dickinson | Long        | Schwellenbach |
| Barbour  | Dieterich | McCarran    | Sheppard      |
| Bilbo    | Donahey   | McGill      | Shipstead     |
| Black    | Duffy     | McNary      | Smith         |
| Bone     | Fletcher  | Maloney     | Steiwer       |
| Borah    | Frazier   | Metcalf     | Thomas, Okla. |
| Brown    | Gerry     | Minton      | Thomas, Utah  |
| Bulkley  | Glass     | Moore       | Townsend      |
| Bulow    | Gore      | Murphy      | Trammell      |
| Burke    | Guffey    | Murray      | Truman        |
| Byrd     | Hale      | Neely       | Vandenberg    |
| Byrnes   | Harrison  | Norbeck     | Van Nuys      |
| Capper   | Hastings  | Norris      | Wagner        |
| Caraway  | Hatch     | Nye         | Walsh         |
| Carey    | Hayden    | O'Mahoney   | Wheeler       |
| Clark    | Johnson   | Pittman     | White         |
| Connally | Keyes     | Pope        |               |

Mr. AUSTIN. I wish to announce that my colleague the junior Senator from Vermont [Mr. GIBSON] is absent in the Philippines upon business of the Senate.

Mr. LEWIS. I beg to announce that the senior Senator from New York [Mr. COPELAND] and the Senator from Kentucky [Mr. BARKLEY] are necessarily detained from the Senate; that the Senator from Georgia [Mr. GEORGE] and the Senator from Louisiana [Mr. OVERTON] are absent on account of illness; and that the Senator from California [Mr. McADOO], the Senator from Maryland [Mr. TYDINGS], and the Senator-elect from Tennessee [Mr. McKELLAR] are absent on business of the Senate as members of the Philippine Commission.

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Eighty-seven Senators having answered to their names, a quorum is present. The question is on agreeing to the resolution of ratification, and the Senator from California [Mr. JOHNSON] is entitled to the floor.

Mr. JOHNSON. Mr. President, as a very humble Member of this body, I wish, in the closing hours of this debate, to congratulate the Senate on the character of the debate that has been had here, to congratulate the individuals who have participated in it, and generally those who have been a part of the decision in this memorable question. I recognize, of course, that differences of opinion may exist; I recognize, of course, the right of any man upon this floor to his opinion and to have that opinion accorded the same respect that I hope may be accorded me for mine. I disagree emphatically, of course, with some things that have been said upon this floor and I disagree with those gentlemen who would undertake the policy that is now before us,

fraught with such potential difficulties and perils to our country. Disagreeing with them, however, I recognize that they present their case in the same fashion that I endeavor to present mine. They are wrong, of course, but finding them thus wrong we will pass them by and, with Stern's recording angel, we "will drop a tear and blot it out of the page of life."

Mr. President, we have presented to us now the end of what has been another memorable contest in the Senate, and at the end of that contest there are a few things to which I wish to advert in order that they may be impressed upon the minds and the memories of those who desire to conserve their country's welfare. I bring them to you lest you forget; I bring them to you with the knowledge that your patriotism is as high as mine and that you desire as I desire, to do naught which shall detract from the future prosperity, the future glory, the future greatness or the future character of the great Nation to which both of us yield our adherence.

I recognize that outside this Chamber some of the things that I will advert to are old stuff; I recognize that some of the names that I will mention are mentioned now by certain editorial writers, and some others, and by those who arrogate to themselves a knowledge greater than that possessed ever before by man, only sneeringly and in contempt. I recognize that this discussion in the last few years has developed a peculiar psychology on the part of a number of people in this land, a number of people who forget all the wisdom of the past and all the men of the days gone by who made it possible for you and me to sit here in this body and made it possible that there should be a United States of America and a lasting people's government in this world.

The utterances of the distinguished gentlemen who are forever indulging in their jibes of those of bygone days you have read as I have read, and perhaps you understand, as I do not, the strange gyrations mentally of the minds of the internationalist writers of today and of those people who have grown so great that the limits of the United States of America no longer can confine their overgrown personalities and their marvelous mentalities.

Senators realize, as I do, that the gentlemen who write and who talk about "old stuff" and "forgotten men" in the history of this land, write themselves the great of today and the great of the past, and no wisdom of the years can affect them for they know it all. They, with their sneers for those whom we have ever honored, with their sneers regarding our experience or history, would strike from the memories of our youth the patriots who gave us the Republic.

We are dealing today with one simple proposition—shall we go into foreign politics? Phrase it as you will, belittle it as you may, minimize as you see fit anything in this discussion, the question in the last analysis is: Shall we go into foreign politics? That is the real question. As Mr. Beveridge said in that very excellent work of his of a few years ago:

The manner of going in is not important. Once we are in we are in. We can depend upon that. We shall find it hard to get out after we make the plunge, no matter what style of bathing suit we wear.

There is the problem. Shall we go into politics foreign to ourselves and our institutions? Once we are in it does not make any difference whether we are in a little way or whether we are in a long way, or whether we have gone into one appendage of the League or whether we have gone into the League—once we are in, we are in. That is all there is to it. The difficulty of getting out will be obvious to the thoughtful and disinterested.

Of course—

Said Mr. Beveridge—

Europe wants us in on any pretext. There is no doubt about that. Mr. Lloyd George declared in the House of Commons that "What really matters is getting the Americans in, with or without the League of Nations."

Getting us in! Getting us in! Oh, Senators may not have my antiquity of years, but if they will recall what transpired before the Great War they will remember that there were certain propagandists in this country with just a thought in

mind—the single thought to get us in. That was the theory and that was the idea which was presented. Some of those propagandists are today yet propagandizing to get us into Europe.

The latest English book in defense of the League, published this year—

It was 1924 that Beveridge was writing—

admonishes the British people that they should do everything possible to facilitate American adhesion to the International Court and participation in such League activities as may interest her. It we can do these things, it is certain as anything can be that in 3 or 4 years at most the United States will be putting at the service of the League all the immense prestige conferred upon her by her size and her power.

I know that statement is undoubtedly true. It is written, of course, by one abroad, but it is the fact that none who are familiar with the history of this Nation in recent years can for an instant gainsay. Get us in! That is the point. American adhesion to the International Court or participation in the League—that is the point. Get us in; and when we are in, then, of course, all the internationalists of this land will tell of the necessity that exists for us to perform our moral obligations and, if necessary, become a part of the intrigue, the controversies, the broils, and possibly ultimately the wars on the other side of the ocean.

Today my text is "The Forgotten Men of American History." I would not dare stand here and read, because of its offensiveness to editorial writers in this land, George Washington's Farewell Address. It is out of date, say they. It is outworn, say they. Oh, Washington, they say, lived in another age, and he should not be heard. It is "old stuff", they repeat again and again. But I have prepared, from George Washington to Theodore Roosevelt, what has been said by these who have gone before, concerning matters abroad and concerning our participation in difficulties across the sea. I ask leave that these excerpts may be included in the RECORD, that I may not have to read them all, and then, with a reference here and there, I want to demonstrate that until 20 years ago there never was such a psychology in this country as the last 20 years has brought about; and the last 20 years bringing it about has brought a peculiar sort of people among us, with whom we had not been familiar, with a different attitude toward our country.

The PRESIDING OFFICER. Without objection, the request of the Senator from California is granted.

(See exhibit A.)

Mr. JOHNSON. Senators will remember, of course, Hamilton and his position, Washington and his position. Senators will recall, because it has been printed so often, Thomas Jefferson's admonition to us. I recall, too, as other Senators probably do, old John Adams' statement in reference to our attitude toward Europe. Then Senators remember, doubtless, his remarkable son, who expressed himself in language that lasts today as the most eloquent probably that has been uttered in respect to the question, lasts all over this land, and ought to be all-controlling with our people. Adams, while Secretary of State, spoke his mind in no uncertain fashion. Emerson, out of Massachusetts, spoke his as well. Then came Andrew Jackson, and following Andrew Jackson came the great Democratic President, Grover Cleveland. William McKinley followed him, and Theodore Roosevelt, the last of the illustrious line who insisted upon the character of our foreign relations and the maintenance inviolate of the policy first declared by Washington.

I want to read an article on this subject by one who has been mentioned here often during this debate. I mention this article, and I read it, because John Bassett Moore is today, with an enriched experience and ability and an integrity that none questions, and with a learning that equals that, in his particular sphere, of any man on the face of the earth, still one of the greatest of Americans.

In Foreign Affairs, an American Quarterly Review, for July 1933, he wrote An Appeal to Reason, and he wrote this appeal because he saw, with his ripe experience, exactly the trend there was in the peculiar psychology of this country from those who call themselves internationalists.

Mr. Moore, in the course of this article, referred, first, to the doctrine as announced by Mr. Stimson.

In order to ensure entire precision I have explained the new psychology in the very words used by Mr. Stimson, its authoritative exponent and sponsor, in two issues of *Foreign Affairs*. Mr. Stimson, just as might have been expected, has not changed front on the Kellogg Pact. He still says that its efficacy must depend on public opinion and not on force. It is only when the sanctions of the Covenant and the alleged "decisions" of the League are invoked that he welcomes, as agencies of peace, the menaces and measures of war which the Covenant prescribes. I have no quarrel with Mr. Stimson. He is present in my reflections only as the spokesman, and as a sincere spokesman, of a group identified with a certain type of mind and thought, and with a belief in methods and measures which I, who modestly pray for peace in my own time, profoundly distrust not only because they have no visible moorings on earth or in the sky but also because they have infected many of my countrymen with confused notions of law and conduct which, while they endanger our most vital interests, hold out hopes of partisan intervention that encourage European governments to defer the readjustments which only they can make and which are essential to peace and tranquillity in that quarter. As long as we persist in our misguided role, so long will discussions of disarmament be dominated by thoughts of war rather than of peace.

Again, Mr. Moore takes up the thread of our birthright. Oh, it is a terrible thing to speak of our birthright now. According to the internationalists outside this Chamber, we have no birthright. Ours is simply to do, under some undisclosed, mysterious, spiritual mysticism, something for all the rest of the world rather than something first for our own.

In speaking on our birthright, he quotes, first, Washington's Farewell Address, which I dare not read, of course, because it is old stuff, and it "comes from a man who lived long ago"; as if wisdom were dependent upon the last few years, and had to emanate from some internationalist who believed that the duty of all of us was, first, to go abroad and attend to people over there.

Wisdom, like many other things, with age becomes better defined and better understood, and is of more value unto peoples. But the gentlemen who prate about what our duty is abroad can find no wisdom in all the past experience that counts for aught. What has been said by those who have been ours counts for nothing; there is nothing, indeed, that counts with them except some jittery organization which has not any understanding whatsoever of the question at issue or of its details.

Sagacious John Adams—

Writes Mr. Moore, after quoting Washington and Jefferson—

who spent many years in Europe and signed our first treaty with Holland, as well as the treaty with Great Britain, acknowledging our independence, when a European diplomatist remarked that he seemed to be afraid of being made the tool of the powers of Europe, exclaimed, "Indeed I am."

What a terrible thing that is! I think I heard somebody upon this floor ask, "Are you afraid of these judges who sit in this sacrosanct Court?" I answer him that I am afraid of some of these judges who sit in this sacrosanct Court, and I am more afraid of their chancelleries that direct their activities and command their services.

Old John Adams, when spoken to regarding the powers of Europe, and asked if he was afraid of being made a tool by the powers of Europe, exclaimed:

Indeed I am.

And when asked—

What powers?

Replied—

All of them.

What a terrible thing to say! Awful! But he had been there, and he had dealt with them, and he understood; and he added:

It is obvious that all the powers of Europe will be continually maneuvering with us to work us into their real or imaginary balances of power.

Why, of course! I read to you the other day the dispatch to the *New York Times* in 1926, when the word first came that America had joined the World Court, or was about to

do so. Briand, the apostle of peace, said, "It is a beau geste; it is the first step"; and Chamberlain, the wily diplomat of Britain, said, "Don't say that! Sh-h-h-h! Don't say that", and Mr. Briand said nothing more; and the correspondent, in commenting upon it, said that after all, Europe regarded the joining of the World Court as perhaps not a particularly important matter, but Europe regarded our joining the World Court as all-important from the standpoint of our participation in world politics and European affairs. That is the point of what we are doing today, and that is the thing that I would prevent, were it possible to do so.

Said John Adams:

They will all wish to make of us a makeweight candle, when they are weighing out their pounds. Indeed, it is not surprising; for we shall very often, if not always, be able to turn the scale. But I think it ought to be our rule not to meddle; and that of all the powers of Europe not to desire us, or perhaps even to permit us, to interfere if they can help it.

Nothing more profoundly true was ever said—

Says Judge Moore—

and this was fully recognized by all our national administrations and by our greatest statesmen down to 20 years ago, when, to the disturbance of our interests and our happiness, we began to swing on the trapeze at international political performances and even to pay for the privilege of so doing.

Not long ago—

Says Judge Moore—

a callow stripling, when I mentioned the name of George Washington, curtly remarked that his ideas were out of date and unsuited to the modern world.

This international press says, "It is old stuff; old stuff by an old man, a forgotten man, a forgotten American!"

Not long ago a callow stripling, when I mentioned the name of George Washington, curtly remarked that his ideas were out of date and unsuited to the modern world. This is an essential postulate of the shallow dupes who, prating of our having lately become a "world power", urge that we blindly don an imported livery of "world service", to be paid for, on demand, in unestimated installments of blood and treasure. But it is a sad day when the children of a nation are taught to prattle ignorant and perverted slights of the men who, with steady and skillful hands, laid the foundations of its greatness and prosperity; men to whom, by reason of their exemplary valor, integrity, and wisdom, an understanding world has awarded the highest place among the immortals. Thomas Jefferson, who spoke with the authority of an intimate official association and with an intelligence that embraced all times and all climes, declared that in elevation of character, in sureness of judgment, in firmness of purpose, in inflexible justice, and in scrupulous obedience to the laws, civil and military, throughout his whole career, Washington furnished an example unparalleled in history. Jefferson himself stands before the world as a great political genius, whose ideas still stir men's minds. Alexander Hamilton, soldier, jurist, great administrator, of whom Webster said that "he touched the dead corpse of public credit, and it sprang upon its feet", is still studied as a profound political theorist at home and abroad. And what of Benjamin Franklin, discoverer, inventor, philosopher, consummate diplomatist at home and in all lands, of whom Charles Phillips eloquently said that his fame would revive the hopes of men in ages yet to come?

Such are the men whom our vaporers of current sublimities would shelve as fossils in our museums of natural history, on the hasty supposition that by various modern devices, by which men may more rapidly and more frequently communicate, and more quickly hurt or help one another, discordant races and people have been harmoniously united in thought and in action and in brotherly love.

\* \* \* The times must be out of joint when a warlike ardor for peace depreciates the glory that was Greece and the grandeur that was Rome; when new and untried visions are held superior to the proved philosophies of Plato and Aristotle, of Cicero and Seneca, of Bacon and John Locke; and when the wisdom of great statesmen, heard with reverence only 20 years ago, is suddenly rejected as having no current value.

Then, Judge Moore discusses the question of our being a world power and shows that always we have been:

It is useless—

He proceeds—

to continue the specification of instances. Nations, like individuals, may increase their power by combining with a due attention to their own business the extension of their friendly offices to brethren in trouble, and by conserving their militant resources for occasions when their vital interests are at stake. A nation that undertakes to meddle with every foreign disturbance is bound to become an international nuisance, to its own detriment as well as

to the annoyance of other countries. Power is neither gained nor kept by such methods. Although megalomania may be sincere, it is noted for its mistakes.

He deals then with the question of isolationists, and says that we should not resent being called "isolationists", and that we have good ancestral justification, which he describes; and then, at the conclusion of that paragraph:

It would be as sensible to condemn as an "isolationist" a man who did not tie himself up with unnecessary contracts, and especially of the kind that were likely to impoverish or ruin him, without benefit to himself and perhaps with injury to others. Such epithets serve only to exemplify the want of knowledge and of understanding of those who employ them.

We also hear much of the "international mind." Would to God that we had more of it! But in devoutly expressing this wish I do not confine it to my own country, nor do I lack a definite conception of what an international mind ought to be. Having for many years been connected with the administration of foreign affairs, I can truthfully affirm that there is no nation toward which I cherish a feeling of enmity. I have always been a peacemaker; and, as an international judge, I am willing to stand on my record as one who strove to act without fear or favor. But I confess—

Oh, what a confession is this! Oh, how down upon our devoted heads will it draw the anathema of all these international writers and all these international newspapers.

I have always been—

He says—

a peacemaker \* \* \*. But I confess—

I confess it, too, my friends—

that of all countries I love my own the best.

Of all countries, I love my own the best!

No international mind is, in my opinion, to be desired or to be trusted that is not built on a national foundation. The man who cannot sing his national anthem with a whole heart is not fit to be entrusted with negotiations with foreign powers. No experienced diplomatist would trust out of his sight an adversary who did not seek to obtain for his own country a square deal. Only those who are disposed to maintain the rights and interests of their respective countries can treat with one another on the basis of mutual self-respect. The best diplomatists are those who are willing to give as well as to take; who can grasp and apply the equitable solution that assures to each that which is justly due; who, in leaving behind them no heart burning and resentments, conserve the interests of all. It is a pleasure to remember the men of this type with whom I have dealt.

We are told that invention and trade and industrial organization cannot be reversed. But nobody wishes or proposes to reverse them. We are told that the world has become too dependent on comforts to be willing to give them up; but, although dependence on comforts is not a sign of strength, either physical or mental, no one is specially advocating their abandonment. But the culmination is reached when we are told that we cannot "retire within our borders" and lead a life of "isolation."

When have we ever done such a thing, or proposed to do it?

The late Grand Duke Alexander of Russia, on revisiting the United States in 1928 after an absence of 13 years, said that on his return the impression he had got was that what he had admired as the robustness of American life "had given place to the sickening self-consciousness of an hysterical idealism", and had been superseded by the "same hodge podge of badly digested ideas" as had characterized the Guards Barracks in St. Petersburg 30 years back. "So this", he exclaimed, "was the American share of the Versailles spoils! It seemed bewildering that any nation should send 2,000,000 men across the ocean to fight for something that did not concern it in the least, tear up the map of the world, and lend billions of dollars to its competitors", all for the purpose of acquiring the worse traits of pre-war Europe.

I cannot, within the limits of the time that is mine, read to you all that I should like to read; but one further brief passage:

Esau, thinking that he was about to die, sold his birthright for a mess of pottage; but the Bible censures him for having despised his birthright. What would have been the nature of the censure if he had thrown his birthright wantonly away or had allowed himself to be cheated out of it? Europe is the victim of history, a seething mass of hereditary feuds. They exist in the western part as well as in the eastern, and they are peculiarly bitter in the southeastern where the war in 1914 originated. The Balkan Peninsula may be likened to a Vesuvius, always in danger of eruption. Once when I asked an Albanian to meet a Serbian he did not know, he hissed in reply: "He i-s-s my en-e-m-y!" The United States may, if it should unhappily see fit to do so, associate itself with these feuds and henceforth help to fight them out. It may embitter and help to perpetuate them, but it cannot end them.

I read that because it is the utterance of a philosopher and author, a man of tremendous ability, and a man of service and experience, and he expresses a view that I reecho. After all, where are our memories; where are our recollections of what occurred?

I remember sitting in this body with the solemn call of war upon us. I remember the men who came from abroad and talked to us from that platform. I recall the distinguished Englishman who told us, in words that brought tears to the eyes of all of us, how his nation was fighting, as ours, he hoped, would be fighting—fighting for the rest of humankind; not for aggrandizement, not for selfishness, not for pelf, not for power, not for territory, not for having new peoples; and at the very time he was talking to us thus, his pockets were bulging with secret treaties by which he and those who were associated with him had divided up the earth and all the lands they expected to come from the victory that we were to win for them!

That is a part of the game abroad. It is not a part of our game at home. We do not believe in that sort of thing. It is an altruism, a mysticism, and I think indeed it is an altruism which misses its mark, that takes so many people in their enthusiasms and their emotions into a contest such as that in which we are now engaged—doing it for what? Not for their country; not to solve all the ills that exist abroad, because none have been solved in the last 14 years as they should have been solved by those who were parties to them; not, indeed, for the benefit of humankind, but to go into that maelstrom with a misdirected emotional urge in order to play their part in world affairs—world affairs with which we have naught to do.

I will not yield to the longest-haired man there is in America who is prating about peace in the desire for peace. I want peace. I fought for peace as long as I could, and I will continue in the same attitude in the days to come as in the days gone by.

I recall during the war—and I have watched with great interest what the munitions investigation has been doing, and I congratulate the members of that committee upon their work—I recall during the war, young as I was then in service in this body, standing here and presenting an amendment to the tax bill to take 80 percent of excess profits from those who were making those excess profits during the war. I stood here and I saw, just as I have seen it in fights of this sort, both sides of the Chamber arrayed against me; and I recall how proud I was, when, after the long fight to take 80 percent of excess profits from men who were profiting out of the killing of our youth abroad, I received 17 votes in the United States Senate. Seventeen votes, and that was all! The RECORD will bear me out in that regard; and the RECORD will give the names, if Senators desire them, of those who voted the one way and those who voted the other way.

I am for peace. No man dare tell me I am not. I am not for taking this country into Europe, for it does not mean peace. When we have gone in there has always been difficulty; there has always been trouble; there always will be difficulty and trouble. Why go? Why go?

Oh, they tell us in ethereal tones, and in language soft and sweet, that we go solely for the purpose of stopping wars and bringing peace unto mankind; and yet they have not in all these 14 years stopped a single war nor done a single deed that looked toward the permanency of peace.

We have too many people in this country who want to look beyond our boundaries. We need have no feeling of prejudice or hostility to any other country on the face of the earth. I have none, never have had, and never will have. That is not the point that is involved here. They would not, however, think of coming over here to join us for the preservation of anything of ours in which they had no interest. If we are periling our institutions, or if in any degree we change the characteristics of our particular form of government, or if we are to be embroiled in Europe's interminable strife, troubles, and controversies, we ought not to go abroad in any way, in any shape, in any fashion, little or big, to join some foreign contraption over there.

Theodore Roosevelt in one of his very apt expressions said this on one occasion:

I do not believe that the United States should enter into a world-wide career of disinterested violence for the right; because where both the lands and the issues involved are remote from us our people wouldn't know with certainty where the right lay and wouldn't feel that we ought to go into the quarrel. We have enough to do that is our business.

Good God, have we not enough to do in this particular time that constitutes our own business? How about our 11,000,000 unemployed? How about our relief rolls? Stand here and talk upon the subject of going over to Europe, when there is legislation awaiting, and not only that, but when the highest thought and best statesmanship there is in this land should be devoted to the men in this country, Americans here, who need our aid.

Theodore Roosevelt again said—and I read these things so that the Senate may know that there has been no difference in the attitude of statesmen who have gone before from Washington to Roosevelt—Theodore Roosevelt said:

The professed internationalist usually sneers at nationalism, at patriotism, and at what we call Americanism.

Why, we see it every day, we read it every day, we have it before us, and dished out to us constantly by those who would take us abroad. Theodore Roosevelt said:

The professed internationalist usually sneers at nationalism, at patriotism, and at what we call "Americanism." He bids us forswear our love of country in the name of love of the world at large. We nationalists answer that he has begun at the wrong end; we say that, as the world now is, it is only the man who ardently loves his country first who in actual practice can help any other country at all.

Are we quite so supine and indifferent that we look upon the right to go abroad as something bestowed upon us as a favor? The only man who can render service in this time and render it well is the man who loves his own country first, and who would not go abroad except it be at his country's behest and in his country's behalf.

William McKinley stated the policy—if he still has any weight among the Republicans upon this side:

It has been the policy of the United States since the foundation of the Government to cultivate relations of peace and amity with all nations of the world, and this accords with my conception of our duty now.

We have cherished the policy of noninterference with the affairs of foreign governments wisely inaugurated by Washington.

Oh, if McKinley were here today and he made a remark about Washington of that sort, how he would be held up to contempt, ridicule, and obloquy by the internationalists who edit papers and who look forward, some of them, to a decoration from a foreign power.

We have cherished the policy of noninterference with the affairs of foreign governments wisely inaugurated by Washington . . . content to leave undisturbed with them the government of their own domestic concerns.

There is another statement by Grover Cleveland that I want to read also. Grover Cleveland once penned a message when the Venezuelan dispute was before the world—a message that will last after every man who stands upon this floor is long forgotten. It rang with the truest patriotism, with firmness, devotion to peace, and devotion to country. That message every Senator should read if he wants to be stirred by the patriotism of a really great President. Cleveland said on another occasion:

The genius of our institutions, the needs of our people in their home life, and the attention which is demanded for the settlement and development of the resources of our vast territory dictate the scrupulous avoidance of any departure from that foreign policy commended by the history, the traditions, and the prosperity of our Republic. It is the policy of independence, favored by our position and defended by our known love of justice and by our own power. It is the policy of peace suitable to our interests. It is the policy of neutrality, rejecting any share in foreign broils and ambitions upon other continents and repelling their intrusion here. It is the policy of Monroe and of Washington and Jefferson, "Peace, commerce, and honest friendship with all nations; entangling alliance with none."

Oh, in the last 20 years a strange psychology has assailed us in this land. These, all these to whom I have referred, are the forgotten men of the Republic of America. These are

the men whom you dare not now quote, and whom, if you do, you are quoting "old stuff", and you are being told by gentlemen of the internationalist press that these men have become merely anachronisms in the history of the world. These are now the forgotten men of our history, Mr. President.

You, sirs, over there may win the vote in this contest—I do not know. You, sirs, over there may be able in one fashion or another to be successful in what you design. You may, in your view, win. But the victory, sirs, is ours, for we stand with the forgotten men of American history, the forgotten men who made the American Republic.

#### EXHIBIT A

George Washington to Thomas Jefferson, 1788: "We shall feel more than ever the want of an efficient general government to . . . connect the political views and interests of the several States under one head in such a manner as will effectually prevent them from forming separate, improper, or, indeed, any connection with the European powers which can involve them in their political disputes. For our situation is such as makes it not only unnecessary but extremely imprudent for us to take a part in their quarrels."

George Washington: "I hope the United States of America will be able to keep disengaged from the labyrinth of European policies and wars. It should be the policy of the United States to administer to their wants without being engaged in their quarrels."

Gen. George Washington to C. C. Pinckney, July 8, 1796: "It is a fact too notorious to be denied that the greatest embarrassments under which the administration of this Government labors proceed from the counteraction of people among ourselves, who are disposed to promote the views of another nation than to establish national character of their own."

John Adams: "The moral character of the United States is of more importance than any alliance."

John Adams, after leaving the Presidency, wrote: "National defense is one of the cardinal duties of a statesman. On this head I recollect nothing with which to reproach myself. The delightful imaginations of universal and perpetual peace have often amused but have never been credited by me."

Thomas Jefferson, extracts from his writings: "We have a perfect horror of everything like connecting ourselves with the politics of Europe." (To Wm. Short, 1801.)

"Commerce with all nations, alliance with none, should be our motto." (To T. Lomax, March 1799.)

"We wish not to meddle with the internal affairs of any country nor with the general affairs of Europe." (To W. F. Dumas, 1793.)

"The fundamental principle of our Government is never to entangle us with the broils of Europe." (To M. Coray, 1823.)

"I know that it is a maxim with us, and I think it a wise one, not to entangle ourselves with the affairs of Europe." (1787.)

"Better keep together as we are, haul off from Europe as soon as we can, and from all attachments to any portion of it." (To John Taylor, 1798.)

"All entanglements with that quarter of the globe (Europe) should be avoided if we mean that peace and justice shall be the polar stars of the American societies." (To J. Correa, 1820.)

"I join you in a sense of the necessity of restoring freedom of the ocean. But I doubt, with you, whether the United States ought to join in an armed confederacy for that purpose; or, rather, I am satisfied they ought not." (To George Logan, 1801.)

"Our Nation has wisely avoided entangling itself in the system of European interests, has taken no side between its rival powers, attached itself to none of its ever-changing confederacies." (Reply to address of Baltimore Baptists, 1808.)

"I have ever deemed it fundamental for the United States never to take active part in the quarrels of Europe. Their political interests are entirely distinct from ours. Their mutual jealousies, their balance of power, their complicated alliances, their forms and principles of government, are all foreign to us. They are nations of eternal war." (To President Monroe, 1823.)

"It ought to be the very first object of our pursuits to have nothing to do with the European interests and politics. Let them be free or slaves at will, navigators or agricultural, swallowed into one government or divided into a thousand, we have nothing to fear from them in any form." (To George Logan, March 1801.)

Thomas Jefferson, from his first inaugural address: "Peace, commerce, and honest friendship with all nations, entangling alliances with none."

John Quincy Adams, while Secretary of State: "The political system of the United States is also essentially extra-European. To stand in firm and cautious independence of all entanglements in the European system has been a cardinal point of their policy under every administration of their government, from the peace of 1783 to this day. If at the original adoption of their system there could have been any doubt of its justice or wisdom, there can be none at this time (July 25, 1820.) Every year's experience rivets it more deeply in the principles and opinions of the Nation. Yet in proportion as the importance of the United States as one of the members of the general society of nations increases in the eyes of the others, the difficulties of maintaining this system and the temptations to depart from it increase and multiply with it."

Letter of Adams to Addington, November 19, 1823: "No congress" (referring to the Holy Alliance) "he maintained, could

give Europe a right 'to stretch the arm of power across the Atlantic.' \* \* \* "The very atmosphere of such an assembly must be considered by this Government as infected—and unfit for their plenipotentiary to breathe in." "The ground I wish to take", he wrote in his diary, "is that of earnest remonstrance against the interference of the European powers by force in South America—but to disclaim all interference on our part with Europe."

"As the Holy Alliance has come to edify and instruct us with their principles, it is due in candor to them and in justice to ourselves to return the compliment" (p. 122, Holy Alliance).

Emerson on the Holy Alliance: "Aloof from contagion during the long progress of their decline, America hath ample interval to lay deep and solid foundations for the greatness of the New World."

"Let the young American withdraw his eyes from all but his own country, and try, if he can, to find employment there \* \* \*. In this age the despots of Europe are engaged in the common cause of tightening the bonds of monarchy about the thriving liberties and the laws of men; and the unprivileged orders, the bulk of human society, gasping for breath beneath their chains, and darting impatient glances toward the free institution of other countries. To America, therefore, monarchs look with apprehension, and the people with hope."

Ralph Waldo Emerson: "Let the passion for America cast out the passion for Europe. Here let there be what the earth waits for—exalted manhood. What this country longs for is personalities, grand persons, to counteract its materialities. For it is the rule of the universe that corn shall serve man, and not man corn."

"They who find America insipid—they for whom London and Paris have spoiled their own homes—they can be spared to return to those cities. I not only see a career at home for more genius than we have, but for more than there is in the world."

Andrew Jackson: "Cultivate free commerce and honest friendship with all nations, but make entangling alliances with none. Our best wishes on all occasions, our good offices when required, will be afforded to promote the domestic peace and foreign tranquillity of all nations with whom we have any intercourse. Any intervention in their affairs further than this is contrary to our principles."

Grover Cleveland: "The genius of our institutions, the needs of our people in their home life, and the attention which is demanded for the settlement and development of the resources of our vast territory dictate the scrupulous avoidance of any departure from that foreign policy commended by the history, the traditions, and the prosperity of our Republic. It is the policy of independence, favored by our position and defended by our known love of justice, and by our own power. It is the policy of peace suitable to our interests. It is the policy of neutrality, rejecting any share in foreign broils and ambitions upon other continents and repelling their intrusion here. It is the policy of Monroe, and of Washington, and Jefferson—'Peace, commerce, and honest friendship with all nations; entangling alliance with none.'"

William McKinley: "It has been the policy of the United States since the foundation of the Government to cultivate relations of peace and amity with all the nations of the world, and this accords with my conception of our duty now."

"We have cherished the policy of noninterference with the affairs of foreign governments, wisely inaugurated by Washington \* \* \* content to leave undisturbed with them the settlement of their own domestic concerns."

Theodore Roosevelt: "I do not believe that the United States should enter into a world-wide career of disinterested violence for the right; because where both the lands and the issues involved are remote from us our people wouldn't know with certainty where the right lay and wouldn't feel that we ought to go into the quarrel. We have enough to do that is our business." Theodore Roosevelt in his book *The Great Adventure*: "The professed internationalist usually sneers at nationalism, at patriotism, and at what we call 'Americanism.' He bids us forewear our love of country in the name of love of the world at large. We nationalists answer that he has begun at the wrong end; we say that, as the world now is, it is only the man who ardently loves his country first who in actual practice can help any other country at all."

Hamilton's letter of March 17, 1783: "We have, I fear, men among us and men in trust who have a hankering after British connection. We have others whose confidence in France savors of credulity. The intrigues of the former, the incautiousness of the latter may be both, though in different degrees, injurious to the American interest, and make it difficult for prudent men to steer a proper course."

Mr. LONG. Mr. President, I call up at this time the reservation submitted by me to the resolution of adherence on the part of the United States to the World Court protocols. I send the reservation to the desk and ask to have it read.

The PRESIDING OFFICER. The proposed reservation will be read for the information of the Senate.

The proposed reservation was read, as follows:

*Resolved further*, That adherence to the protocols and statute is upon the express condition and understanding that the doctrine pronounced by President James Monroe, known and commonly called the "Monroe Doctrine", is and shall in no manner be

affected or modified by the said World Court, and that the rights and duties assumed and heretofore exercised by the United States under said Monroe Doctrine shall never be affected by the said World Court.

The PRESIDING OFFICER. Does the Senator offer the reservation?

Mr. LONG. I do.

The PRESIDING OFFICER. Does the Senator desire to be recognized on the resolution of adherence or upon his reservation? Under the unanimous-consent agreement, which comes into force at 1 o'clock, the Senator may be recognized either upon the resolution or upon his reservation, upon the resolution for 30 minutes, upon the reservation for 15 minutes.

Mr. LONG. I wish to take up the reservation and speak on that first. Then I will have the right to take my 30 minutes on the resolution itself if I shall desire to do so.

The PRESIDING OFFICER. The Senator will have that right.

Mr. WHEELER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Montana?

Mr. LONG. I yield.

Mr. WHEELER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum being suggested, the clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

|          |           |             |               |
|----------|-----------|-------------|---------------|
| Adams    | Coolidge  | King        | Radcliffe     |
| Ashurst  | Costigan  | La Follette | Reynolds      |
| Austin   | Couzens   | Lewis       | Robinson      |
| Bachman  | Cutting   | Logan       | Russell       |
| Bailey   | Davis     | Long        | Schall        |
| Bankhead | Dickinson | McCarran    | Schwellenbach |
| Barbour  | Dieterich | McGill      | Sheppard      |
| Bilbo    | Donahay   | McNary      | Shipstead     |
| Black    | Duffy     | Maloney     | Smith         |
| Bone     | Fletcher  | Metcalf     | Stelwer       |
| Borah    | Frazier   | Minton      | Thomas, Okla. |
| Brown    | Gerry     | Moore       | Thomas, Utah  |
| Bulley   | Glass     | Murphy      | Townsend      |
| Bulow    | Gore      | Murray      | Trammell      |
| Burke    | Guffey    | Neely       | Truman        |
| Byrd     | Hale      | Norbeck     | Vandenberg    |
| Byrnes   | Harrison  | Norris      | Van Nuys      |
| Capper   | Hastings  | Nye         | Wagner        |
| Caraway  | Hatch     | O'Mahoney   | Walsh         |
| Carey    | Hayden    | Pittman     | Wheeler       |
| Clark    | Johnson   | Pope        | White         |
| Connally | Keyes     |             |               |

Mr. LEWIS. Mr. President, I rise to announce the absence of the junior Senator from Louisiana [Mr. OVERTON] caused by illness, the absence of the senior Senator from Georgia [Mr. GEORGE] caused by illness, and to announce again the fact that the Members of the Senate comprising the Philippine Commission have not returned from their duties in that connection.

The PRESIDING OFFICER (Mr. POPE in the chair). Eighty-seven Senators having answered to their names, there is a quorum present.

STANDARD OIL OR MONROE DOCTRINE, WHICH?

Mr. LONG. Mr. President, I have called up for consideration at this time a reservation to the World Court resolution. For the benefit of the Senators who have returned to the Chamber under the quorum call, I wish to read the reservation so that they may hear it and have it in mind. It is as follows:

*Resolved further*, That adherence to the protocols and statute is upon the express condition and understanding that the doctrine pronounced by President James Monroe, known and commonly called the "Monroe Doctrine", is and shall in no manner be affected or modified by the said World Court, and that the rights and duties assumed and heretofore exercised by the United States under said Monroe Doctrine shall never be affected by the said World Court.

I do not know whether there is going to be any opposition to this reservation or not. I do not think there ought to be. If there is not going to be any opposition to the Monroe Doctrine being kept intact as it has been for a hundred years, I shall not now take any time of the Senate. In other words, I hope it is to be accepted more or less in a formal manner, and if I can be assured that there is to be no opposition to it, I do not care to take any time of the

Senate. May I inquire of the Senator from Arkansas how he feels about it?

Mr. ROBINSON. Mr. President, so far as I am authorized to speak, I cannot accept the reservation offered by the Senator from Louisiana.

Mr. LONG. I regret that very much, Mr. President. Whether that is the only objection we will have I cannot say; nevertheless, I will have to take it as being serious.

Mr. ROBINSON. The Senator may be assured that it is a serious statement. I would not want to deprive the Senator of the opportunity to discuss his proposed reservation on the theory that I was not sincere. I am sincere. I do not believe the reservation is either necessary or would be helpful.

Mr. LONG. Mr. President, we have been living in this country under the Monroe Doctrine for a little over a hundred years. It is a democratic principle. It was promulgated by the President of the United States to save this country and contiguous territory from aggression, from involvement. Said President James Monroe to Europe—and I translate his words into the common parlance of the layman's understanding—"Stay out of America"; and only last year the United States Senate went on record as extending the Monroe Doctrine by saying to America, "Stay out of the Orient."

Many years ago, when President Theodore Roosevelt was faced with the proposition of German warships cruising in and about South America, he said to them, "Stay out of America"; said Roosevelt to Europe, "Stay out of America." Said Monroe to Europe, "Stay out of America." Said Washington to America, "Stay out of Europe." Said the United States Senate to America, "Stay out of the Orient."

Now, are we going to make all these words meaningless that have been affirmed here up to 12 months ago? Are we going to take the cornerstones of every one of these principles that were intended to keep America from being involved in strife and turmoil and protected from foreign aggression on contiguous territory and on this continent and smash them today and hold them to be nonexistent? Has anyone dared to stand on the floor of the Senate and inform the Members of this body and the people of the United States in general that the League of Nations or the World Court, or whatever it may be called—and I care not under what kind of label it comes; I have a label that I will give it in a few minutes of my own [laughter]—intends to do away with the Monroe Doctrine? Who is there here so bold as will admit what I conceive to be the truth, whether it is admitted or not, and which I will prove to be true and practically to be recognized by this resolution—who is there so bold as to stand here now and say, "I am casting my vote to abrogate the Monroe Doctrine and to do away with America's sovereignty over that principle"? That is what we are doing. If you doubt that we are doing that, why would there be any opposition to a proposed reservation which says that the World Court shall not affect the Monroe Doctrine or the traditions under which we have lived as a result of that doctrine?

The Monroe Doctrine has not been used, unfortunately, in its broad sense for the purpose for which it was originally promulgated. It was originally promulgated and inherited as a tradition of this country on the ground that America was a strong brother, lending his arm to the protection of the weaker brother to the south, but as time went on the big capitalistic interests of this country perverted the principles of the Monroe Doctrine to their own use and made it an instrument for the protection of their aggressions, in many instances under the guise of United States protection. That was the principle under which the United Fruit Co. operated; it was the principle under which the United States allowed the Standard Oil Co. to operate; and today, with the Standard Oil Co. having gone as far as it can, with the port of New Orleans formerly used for its aggressions, murders, and war, but now bottled against it; today they have got to transfer the scene of activity and of sovereignty to a foreign shore in order that they may carry on the immediate aggressions at hand.

I showed on the floor of the Senate something no one has undertaken to dispute. I said on the floor of the Senate on a certain day and date that the League of Nations is undertaking to do the bidding of the Standard Oil Co. I showed on the floor of the Senate what no one questioned—and I am almost ashamed, Mr. President, to say that even those who understand the facts may yet vote in favor of the World Court—as to the activities of the Standard Oil Co. of Louisiana and the Standard Oil Co. of New Jersey. I say "the Standard Oil Co. of Louisiana", but it is the Standard Oil Co. of Texas; it is the concern that was convicted and held to be a criminal, that ran out of the State of Texas, came to Louisiana, and rechartered its existence as the Standard Oil Co. of Louisiana; and today, when one drives eastward, coming from Texas into Louisiana, he finds a great big sign on or over the public road where Texas joins Louisiana, where the best part of Texas may be found, a sign, intended, perhaps, as a benediction upon the tourist coming our way, which reads:

You are now entering the State of Louisiana, where Standard Oil products may be purchased.

A few days ago I presented the facts about the Standard Oil Co. I produced on the floor of the Senate, which no one would question, the award which had been made in 1878 by the President of the United States giving and granting and conceding, with the consent of all South American countries, to the Republic of Paraguay, the territory known as the "Chaco."

Mr. LOGAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Kentucky?

Mr. LONG. I yield to my friend.

Mr. LOGAN. I want to challenge the facts and the conclusions the Senator has presented. I do not think that he can say, or that the record will support him if he says it, that the consent of all the states of South America was given to the awarding of the Chaco to Paraguay. I undertake to say that the records will show that Paraguay itself recognized in the treaty when the matter was submitted to President Hayes that the rights of Bolivia were not at all involved in that matter.

Mr. LONG. Correct. Bolivia drew a map in 1848 showing that that territory belonged to Paraguay. I put that map in the CONGRESSIONAL RECORD. The rights of Bolivia were not involved because Bolivia, with its own published map, published to the United States and the world by metes and bounds, gave that territory, and more than was involved in the Hayes award, to the Republic of Paraguay.

Mr. LOGAN. Mr. President, will the Senator yield further?

The PRESIDING OFFICER. Does the Senator from Louisiana yield further to the Senator from Kentucky?

Mr. LONG. I yield.

Mr. LOGAN. I will ask the Senator if it is not true that when President Hayes had the matter under consideration Bolivia filed a claim and a brief claiming that territory, but because Bolivia was not a party to the original treaty submitting the matter to President Hayes, her claims were not then considered by the President at all?

Mr. LONG. I do not know about that particular point, but I do know that Villa Hayes, formerly called Villa Occidental and which following that award was changed to the name of Villa Hayes, was awarded to Paraguay and was published in the map by Bolivia itself in 1878. Not only that, but following that award made in that dispute in 1878, Bolivia sent representatives to Paraguay to recognize the award and to consent to it. It has never been heard from since.

Mr. LOGAN. Mr. President, will the Senator yield further?

Mr. LONG. Certainly.

Mr. LOGAN. But was not that an arbitration between the Argentine Republic and Paraguay? The Senator is talking about an award made as against the Argentine Republic, and says that President Hayes did hold and his judgment was that Argentina had no claim to the Chaco and that it

belonged to Paraguay. But was not Bolivia insisting then that it belonged to her and her rights were not determined, and did not Paraguay in the letters of her Premier and Secretary of State specifically say, before they reached a conclusion with Argentina, that the rights of Bolivia were not to be affected by the arbitration at all?

Mr. LONG. That is not in it at all. On the contrary, the facts are just the opposite.

Mr. LONG. If the Senator will be so kind as to permit me to do so, at the first opportunity I shall submit the letter of the Secretary of State of Paraguay, in which he specifically states, not once but two or three times, that the rights of Bolivia are reserved from consideration.

Mr. LONG. The Senator might submit that, but I shall submit to him the official map of Bolivia from 1848 on down showing that territory as being Paraguayan territory, together with the history of a recorded visit made by Bolivian officials, following the Hayes award, in which they recognized the award.

Not only that, but they have been recognizing that for 60 years. If Bolivia was not satisfied with the award made in 1878, where has Bolivia been for a period of 60 years with its map showing all the time that the territory belongs to Paraguay? It is not the map of Paraguay. It is not the map of the United States. It is the official map of the Republic of Bolivia which has been filed with or seen in every country in the world showing the metes and bounds of the Bolivian and the Paraguayan territory and showing the Paraguayan territory to include the Chaco.

Mr. LOGAN. Mr. President, will the Senator from Louisiana yield further?

The PRESIDING OFFICER. Does the Senator from Louisiana yield further to the Senator from Kentucky?

Mr. LONG. I yield.

Mr. LOGAN. What interest has the United States Senate or any Senator of the United States in a controversy between two friendly nations? What interest has the Senator from Louisiana in a controversy between Paraguay and Bolivia? I ask that particularly because he is making an argument against our becoming involved with any foreign countries at all, yet he is taking sides in favor of Paraguay and against Bolivia to make a speech in the United States Senate, where Bolivia cannot answer it through diplomatic channels or otherwise. He is making a speech in favor of Paraguay and against Bolivia and taking advantage—

The PRESIDING OFFICER. The time of the Senator from Louisiana on the amendment has expired.

Mr. LONG. I will take my 30 minutes on the resolution of adherence.

Mr. LOGAN. It seems to me he is taking advantage of the opportunity to make a speech for Paraguay without giving Bolivia a chance at all to be heard.

Mr. LONG. I should not object to Bolivia being heard if the Senator from Kentucky knows anything in her favor. I do not know of anyone who knows anything in her favor.

Mr. ROBINSON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Arkansas?

Mr. LONG. I yield.

Mr. ROBINSON. Have the boundaries between Bolivia and Paraguay ever been fixed?

Mr. LONG. Yes; by a map of Bolivia, for one thing, fixing the boundaries.

Mr. ROBINSON. I am asking if there has not been a dispute from the very creation of the Governments as to the boundaries? The dispute became concrete when the two began to advance and open up unoccupied territory which had never been assigned or determined as belonging to either. I do not wish to take the Senator's time if he would prefer me not to do so.

Mr. LONG. That is all right. I will get 5 minutes additional if the Senator takes too much time.

Mr. ROBINSON. No; I could not consent to that.

Mr. LONG. Very well; go ahead and I will take my time.

Mr. ROBINSON. The Senator realizes that the Paraguay River runs substantially north and south, and the Pilcomayo

River runs substantially southeast by northwest, from the northwest. The territory which President Hayes arbitrated was assigned to Paraguay in an arbitration between Paraguay and Argentina, but Bolivia was not a party to that arbitration. My information is, and I have made some investigation into the matter, that the oil fields about which the Senator has spoken are approximately 400 miles, the distance from Washington, D. C., to Columbus, Ohio, from the limitations of the Hayes award, and that the League of Nations, or its committee, in efforts to work out a peaceful settlement of the dispute, actually excluded from consideration for the purpose of settlement the award that was made by President Hayes.

Mr. LONG. No; that is not my understanding.

Mr. ROBINSON. I shall not press that further in the time of the Senator from Louisiana.

Mr. LONG. When the Senator from Arkansas looks into the question he will find that the fight did not come up over the oil fields that were at that time being developed. That is where the Senator is confused.

Mr. ROBINSON. No; I am not confused.

Mr. LONG. The fight came up over the fact that the Republic of Bolivia demanded a right to transport oil by pipe line to the deep water of the Paraguay River, and in order to do that they had to go through the Villa Hayes itself. When I made the speech on the floor of the Senate last year the Bolivian envoy said that Bolivia was fighting because it would not recognize an award made by President Hayes. That was a statement from Bolivia. There is no way of getting around this thing. They have hemmed it in tightly.

Mr. LOGAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Kentucky?

Mr. LONG. Certainly.

Mr. LOGAN. Of course Bolivia does not recognize that award because Bolivia was not a party to the arbitration at all and never was called upon to recognize the award.

Mr. LONG. Then the Senator from Kentucky agrees with me and not with the Senator from Arkansas! [Laughter.]

Mr. LOGAN. No; I agree with the Senator from Arkansas fully. The Senator from Arkansas is absolutely correct.

Mr. LONG. Mr. President, it is going to be impossible to get these two minds together in the time I have at my disposal. I shall have to proceed or else concede that I am out of understanding with both of them.

The Standard Oil Co. went a little bit further. They were not satisfied. This land stood placid and peaceful. My friend from Arkansas said he understands they are not contesting the Hayes award and my friend from Kentucky said he understands they are; but whichever the case may be, both will vote together whether they agree with the conclusions on this question, so I shall not have to try to reconcile them for the ultimate result.

The fact of the matter is that the situation had been absolutely peaceful for a period of 54 years and there was not a breath of excitement, Bolivia standing on the map which she had published in 1848—a map published not by Paraguay, not by President Hayes, but by Bolivia itself in the year 1848—until they found oil on the soil of Bolivia, whereupon Bolivia said that they could not go across the territory of Argentina, because Argentina was too big a country for them to attack, but that they would go to the Paraguay River by taking the Paraguayan territory for their route to deep water. That is what they did.

As a result of that we could not afford to have the Standard Oil Co. changing America's own award, so, therefore, this "big brother" doctrine, which we announced in order that we might take care of these little countries, became a Standard Oil doctrine to pervert the principle. When they had gone as far as they could, when they had gone to where they did not dare to come back to Washington because nobody in Washington itself dared to dispute the award of the President made in this city in 1878, partly in view of the fact that Bolivia had sent envoys down to Paraguay to recognize it and made trade arrangements after that time—therefore they hiked over to the League of Nations with the Standard Oil Co.

How did this award start? Here is the map [indicating] to which I have been referring. My friend from Kentucky [Mr. LOGAN] is going to learn something, even if I do offer it myself. I am going to hand him the map. This is the Bolivian map. We have not heard any dispute about that map which I placed in the CONGRESSIONAL RECORD at least a year ago. There is Bolivia's map. The Standard Oil Co. wanted that territory. When the Standard Oil Co. made its agreement with Bolivia it was stipulated as to any oils which they took from the Republic of Bolivia during peace time they should pay the Republic of Bolivia a royalty of 11 percent on the oil taken from the ground, and during war times they should pay 14 percent. In other words, they made a war agreement in the beginning, realizing that they had to go to war in order to extend the pipe line to the Paraguay River.

How did they start this war? Bolivia's credit was very bad. They had sold \$68,000,000 worth of bonds in the United States through Dillon, Reed & Co. and used that money down there for various and sundry purposes. Most of it, I suppose, had been squandered. That is the charge made in this country.

After they had spent \$68,000,000, how were they going to carry on the war? They used Standard Oil scrip. Bolivia's money would not buy anything down in that South American territory because Bolivian currency had been depreciated by reason of the fact that they owed \$68,000,000 and were in default even then. Some of their wall-paper bonds had been sold throughout the United States. In order to get money they went into other countries like Argentina and Brazil and used the scrip of the Standard Oil Co. as money. The great imperialistic Standard Oil Co., trampling upon the award that had been made by the President of the United States, trampling upon a recognition that had been given by the Republic of Bolivia, trampling upon the recognition of its own map made 30 years before he had made the award—finding Bolivia with \$68,000,000 worth of unpaid bonds in default in the United States, the imperialistic Standard Oil Co. went down to Argentina and established a radio station in order to help that war against Paraguay and gave this scrip to be used by Bolivia for the purchase of supplies.

I am informed by reliable authorities, and it will be proved if ever this matter is gone into by the investigation of the Senate, as I am told it will be, that in order to ship the war material down into Bolivia it went in there consigned to the Standard Oil Co. as drilling machinery for exploitation, when in fact and in truth it was guns and ammunition for the use of Bolivia, to conquer for the Standard Oil Co.'s ownership territory that belonged to Paraguay, that had been awarded by America!

Why, Mr. President, this ex-convict that came from Texas to Louisiana, this dastardly angel of crime and murder that has raised its fangs of woe not only on the soil of Bolivia and Paraguay but here in America, this—the Standard Oil Co.—again takes the law. Wherever there is law that it is made to observe, it undertakes to have itself made the master of the law that it has to observe. Wherever it neither becomes the law nor the master of the law, there is in the wake of its aggression and prosperous drive, murder, assassination, and whatever else has become necessary for its control. So its agents hie themselves to Europe. They cannot come to the United States.

Somebody wants to know why this drive is on in America, at this time of our peril and distress, to ratify the World Court protocols. Why this hurry, hurry, hurry to ratify the World Court protocols at a time when one-half the people of the United States are unemployed, at a time when babies starve and cry and die for the same milk that is poured into the Mississippi River, because we have too much; at a time when people shiver and cry for clothes to put on their backs when the cotton from which they might be made is plowed under or not allowed to be planted, to keep down an oversupply; at a time when the cattle and the hogs are slaughtered in order that we may not have too much meat, while people are crying for the food and dying and starving for the lack of it? Why, under circumstances of that kind, is the United

States Senate faced today with all these things sidetracked, with the demand to hurry, hurry, hurry to get the United States into the World Court in time for the World Court to pass on the territory that the United States formally gave to Paraguay, but which the Standard Oil Co. of the United States is calling upon the World Court to give to Bolivia? "Hurry, hurry, hurry!" The drive is not to feed twenty to thirty to forty million unemployed, starving people. The drive is to give two or three billion dollars more to the Standard Oil Co. through aid to the Bolivian arms. That is why it is being done.

So I have offered a reservation.

The character of this Standard Oil Co. is shown domestically. If I might be permitted to read to the Senate for a moment, I will read you the words of a Standard Oil agent in Louisiana, uttered on last Saturday, the 26th day of January. I will read to you what was uttered by a Standard Oil agent, sent out before an armed mob gathering, largely composed of Standard Oil employees, armed with grenades and with guns. I will read to you what the agent in charge of the Standard Oil Co. of Louisiana said to his gathering on this occasion, and I will read from the Baton Rouge Morning Advocate, a paper owned and controlled, body and soul, by the Standard Oil Co.

Here is what he said—Mr. O'Rourke, chief agent of the Standard Oil Co. in charge of revolutionary activities inside the United States, on their pay roll, is quoted as follows in the newspaper:

"The reason for this protest meeting", Mr. O'Rourke declared, "is that a man by the name of Sidney Songy was arrested by city police and questioned with the view of obtaining information to swear out conspiracy warrants against myself and about 70 more persons."

"The idea was that a group of us were conspiring to kill HUEY P. LONG, and said I had advocated as much."

Does he deny it? Just listen a minute, gentlemen of the Senate. I continue his statement as quoted in the Standard Oil Co. journal. Says this Standard Oil agent:

Now, I want my position clearly understood. I have hidden nothing I have said, but have declared it on Third Street and publicly. I hereby pronounce HUEY LONG public enemy no. 1.

[Laughter.]

Just a moment. Continuing to quote the Standard Oil gathering, their leader, Mr. O'Rourke, who is still a leader in charge of their revolutions inside America right now, says:

When he goes, Louisiana will again have a republican form of government.

In other words, he says, "They have a man around there named Songy that they are questioning to find out if 70 others have this conspiracy of murder; and I here and now make my position clear, that I pronounce HUEY LONG a public enemy, and that he must be killed for the benefit of this country."

That is this Standard Oil hired agent. They do not only go to Bolivia and have them killed by the thousands and near millions; they have come to America. If coming back to America for the purpose of murder will save any voice being raised to contest their aggressions in the Chaco, they will come to America to do it.

And so it seems I am chosen for their elimination.

What boots it for them if, having flaunted the awards made under the Monroe Doctrine, they come back now in order to avoid them, and, with their controlled World Court—I say that advisedly—with their controlled World Court they undertake to wipe out what has been adjudicated?

So I have proposed this reservation, Mr. President, not only for this case, not for Paraguay, not for Bolivia, but for the sanctity of the men and women of 150 years ago who handed down to this country and to this generation and to those to come after us a country on a principle that "We have guaranteed you against foreign entanglements and against foreign aggression; we have guaranteed the life and blood of humanity under the Monroe Doctrine, that it shall never be held to the hazard of foreign exploitation."

Now, in this day and time, with the Panama Canal constructed, which I am told can be destroyed by one bomb, are

we going to let the Germans, the Japanese, the English, the French, the Hindus, the Chinese, or anybody else decide upon the rights of the territory necessary for the existence of this country, by having these disputes, already settled by proper awards of the United States, transferred to The Hague or to Geneva or to the foreign powers for other settlements? Are we going to let Japan and England, owing us money, and France, owing us money, and Germany, owing us money, and Russia, owing us money, have votes in a court that will determine the integrity of the Panama Canal, and even rights affecting our own borders? Or are we going to hold inviolate the sacred Monroe Doctrine, which is one of the foundation stones of this country? Unless we adopt this amendment, Mr. President, that is what the ratification of this World Court protocol means.

I again read this reservation:

*Resolved further, That adherence to the protocols and statute is upon the express condition and understanding that the doctrine pronounced by President James Monroe, known and commonly called the "Monroe Doctrine", is and shall in no manner be affected or modified by the said World Court, and that the rights and duties assumed and heretofore exercised by the United States under said Monroe Doctrine shall never be affected by the said World Court.*

I hope, Mr. President, that this reservation will be ratified by a majority of the Members of the Senate.

Mr. ROBINSON. Mr. President, I address myself to the reservation of the Senator from Louisiana [Mr. LONG].

The reservation proposed by the Senator from Michigan [Mr. VANDENBERG] embraces in general language all the traditional policies of the United States. On a previous occasion I expressed the opinion that that reservation was not necessary, for the reason that entry into the World Court does not affect or involve any domestic question of the United States, or any traditional policy of this Government. Now, the Senator from Louisiana says, "If that is so, why not reaffirm the Monroe Doctrine?"

The answer to that is that there are many things that are true that have no relation to the World Court, and therefore have no appropriate place in an arrangement concerning it. For instance, there are the Ten Commandments, in which the Senator from Louisiana and I both believe, and which the Senator from Louisiana observes. [Laughter.] No one proposes to incorporate the Ten Commandments in this resolution of adherence. It is impracticable to do that.

There is another reason which I think is controlling, and that is that the language which is already incorporated in the resolution of adherence in better form preserves the understanding that the United States, in entering the World Court, does not abandon its principles and policies.

Mr. LONG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Louisiana?

Mr. ROBINSON. I yield.

Mr. LONG. Do I understand the Senator to say that the Monroe Doctrine is reserved in the previous reservation?

Mr. ROBINSON. All the traditional policies of the United States are reserved; certainly.

Mr. LONG. Does the Senator mean that the Monroe Doctrine is reserved?

Mr. ROBINSON. I have said it many times, and I shall not say it again. I have said that all the traditional policies of the United States are reserved.

Mr. LONG. Does the Senator say that the Monroe Doctrine is reserved—"yes" or "no"?

Mr. ROBINSON. I have said it over and over again. The Monroe Doctrine is one of the traditional policies of the United States.

Mr. LONG. All right. Then—

Mr. ROBINSON. Mr. President, I have only 15 minutes, and I have to use a little of my time myself.

Mr. LONG. Then my reservation will not do any harm.

Mr. ROBINSON. It will not do any good, and I shall not support it.

Mr. President, I think the entire discussion of the Senator from Louisiana is irrelevant to the issues that are before the

Senate. He is a great advocate. No one can state a subject or a matter more impressively than can the Senator from Louisiana; but I am going to point out now a consideration which shows that all his talk of war, whether in Louisiana between the Senator from Louisiana and the Standard Oil Co. or in the world at large, has nothing in God's world to do with the World Court. I might suggest, however, that perhaps one of the best things that could be done by the Senate would be to refer the war in Louisiana between the Senator from Louisiana and the Standard Oil Co. and others to the World Court; and then we might hope for at least temporary peace, if not permanent peace. [Laughter.]

The jurisdiction of the World Court is limited to cases which nations refer to it, which nations agree it shall consider. If Bolivia and Paraguay, who are in dispute about the Chaco, agree that the question in dispute shall be referred to the World Court, it will go there; but there is no power to compel the Court or to permit the Court to take jurisdiction unless those nations do so agree, either through signing the compulsory clause or through a special agreement for consideration of the matter.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ROBINSON. Certainly.

Mr. LONG. Does not the Senator remember that the League of Nations said the other day that they were going to take punitive steps against Paraguay if they did not agree to arbitration?

Mr. ROBINSON. Mr. President, the World Court has nothing to do with the League of Nations in that matter. The idea that it has is the fundamental mistake which is running all through this debate. In some mysterious and strange manner the opponents of the World Court are attempting to attach to it the duties and responsibilities of the League of Nations; but the League of Nations, as I explained on a former occasion, is taking this attitude because of the refusal of one of the parties to the controversy to submit to a peaceful settlement of the dispute, that action being construed to be in violation of their agreement and undertaking not to resort to war as an instrument of national policy, and to pursue only pacific methods in the settlement of their disputes.

It would be a good thing—good for the peace of the world, for the happiness of the people of Bolivia and Paraguay—if they would give the World Court jurisdiction of their controversy; far better than that they should pursue the course which has been followed during the past few years, in which great suffering, devastation, waste, and destruction of life and property have been occurring because of the war. I know of no better instance in which peace-minded persons might encourage the use of the World Court than in the case of the controversy between Paraguay and Bolivia. It would be very helpful if they should submit the controversy to the World Court, and it would encourage peace lovers throughout the world.

It is a strange thing to me how the Senator from Louisiana reaches the conclusion that we have been in a great hurry to get into the World Court. The question has been before the Senate in one way or another during the last 10 or 11 years, and no final action has been taken. I point out now, as I did on a recent occasion, that the only agency which has come out of the smoke and thunder of the conflicts of the past for the judicial settlement of international disputes is the Permanent Court of International Justice; and they who do believe in peace, who do hope for the prevention of war, ought either to support the World Court or to suggest some substitute for it.

Must humanity go staggering down the future carrying the unbearable burdens of past conflicts in fright and fear of future wars? Is there no power or strength in the statesmanship of the world to demonstrate that courage which was displayed by valiant soldiers in action during the World War? If we do that, if we display the courage they showed when they sank to their last resting place beneath the white and black crosses that lift their arms in mute appeal to Almighty God—if we do our duty, we shall do something to safeguard humanity against the wars of the future.

The PRESIDING OFFICER. The question is on agreeing to the reservation proposed by the Senator from Louisiana.

Mr. LONG. May we not have the yeas and nays on the reservation?

Mr. ROBINSON. Yes; let us have the yeas and nays.

Mr. LONG. I ask for the yeas and nays.

Mr. BORAH. Mr. President, I ask that the reservation be read.

The PRESIDING OFFICER. The clerk will read the reservation.

The legislative clerk read the reservation submitted by Mr. LONG, as follows:

*Resolved further*, That adherence to the protocols and statute is upon the express condition and understanding that the doctrine pronounced by President James Monroe, known and commonly called the "Monroe Doctrine", is and shall in no manner be affected or modified by the said World Court, and that the rights and duties assumed and heretofore exercised by the United States under said Monroe Doctrine shall never be affected by the said World Court.

Mr. ROBINSON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

|          |           |             |               |
|----------|-----------|-------------|---------------|
| Adams    | Coolidge  | King        | Radcliffe     |
| Ashurst  | Costigan  | La Follette | Reynolds      |
| Austin   | Couzens   | Lewis       | Robinson      |
| Bachman  | Cutting   | Logan       | Russell       |
| Bailey   | Davis     | Loneragan   | Schall        |
| Bankhead | Dickinson | Long        | Schweilenbach |
| Barbour  | Dieterich | McCarran    | Sheppard      |
| Bilbo    | Donahey   | McGill      | Shipstead     |
| Black    | Duffy     | McNary      | Smith         |
| Bone     | Fletcher  | Maloney     | Steiwer       |
| Borah    | Frazier   | Metcalf     | Thomas, Okla. |
| Brown    | Gerry     | Minton      | Thomas, Utah  |
| Bulkley  | Glass     | Moore       | Townsend      |
| Bulow    | Gore      | Murphy      | Trammell      |
| Burke    | Guffey    | Murray      | Truman        |
| Byrd     | Hale      | Neely       | Vandenberg    |
| Byrnes   | Harrison  | Norbeck     | Van Nuys      |
| Capper   | Hastings  | Norris      | Wagner        |
| Caraway  | Hatch     | Nye         | Walsh         |
| Carey    | Hayden    | O'Mahoney   | Wheeler       |
| Clark    | Johnson   | Pittman     | White         |
| Connally | Keyes     | Pope        |               |

Mr. LEWIS. I announce the absence of the Senator from Kentucky [Mr. BARKLEY] and the Senator from New York [Mr. COPELAND], these Senators being necessarily detained on official business.

I make reannouncement of the absence of the Senators whose absence was suggested on previous roll calls.

The PRESIDING OFFICER. Eighty-seven Senators having answered to their names, a quorum is present.

Mr. COSTIGAN. Mr. President, merely expressing in passing my concurrence with the views expressed by the able Senator from Arkansas [Mr. ROBINSON] that since the adoption of the so-called "Vandenberg reservation" the reservation tendered by the Senator from Louisiana [Mr. LONG] is not helpful, I will take this opportunity to speak very briefly on the broad issue before the Senate.

In recording my judgment it may be useful to preface it by an extract from an address on the World Court delivered in New York City before a group of members of the bar on June 2, 1930, by the present Chief Justice of the Supreme Court of the United States. It goes without saying that he is exceptionally qualified to speak from intimate association as a former member of the World Court; also patriotically, without any suspicion of undue radicalism; and authoritatively, as an experienced advocate and expounder of America's Constitution and laws.

On the date mentioned, Chief Justice Hughes declared that the then proposed conditions of adherence to the World Court, which are essentially those which the Senate now has before it, supported by administration spokesmen, fully protect the interests of the country. He concluded as follows:

The judicial settlement of international disputes cannot be adequately secured by mere sporadic, occasional efforts. There should be continuity, permanency, the opportunity for the growth of confidence, and for the firm establishment of the tradition both of competency and judicial independence. As a nation devoted to the interests of peace, we have the utmost concern in

this development. To hold aloof is to belie our aspiration and to fail to do our part. \* \* \* In supporting the World Court in the manner proposed we lose nothing that we could otherwise preserve; we take no serious risks that we could otherwise avoid; we enhance rather than impair our ultimate security; and we heighten the mutual confidence which rests on demonstrated respect for the essential institutions of international justice.

It will be noted that the President and Chief Justice of the Supreme Court of the United States are not divided.

Mr. President, there is little that is new to be said on the important subject of the proposed adherence of the United States to the Permanent World Court of International Justice. Indeed the debates here, so far as they either advance unanswerable logic or echo tempestuous emotion—except for an occasional touch in some of the addresses of the golden age of American eloquence—appear to be less original contributions than reflections of earlier days and battles long ago. The contest is ended. The essential argument is concluded. Possibly a few declarations of faith are still in order but no other justification can be urged for prolonged postponement of the balloting.

The reasons specially appealing to my judgment for adherence to the World Court are these:

First. In the history and experience of mankind, for the most part, and certainly where property has been the chief subject matter of controversy, the judicial settlement of disputes has tended to survive both conciliation and arbitration as a sound and better method of guarding society against appeals to violence.

Second. The age-old flaw and continuously fatal defect in international relations has been the absence of authoritative agencies for determining issues in the war-breeding "no man's land" between sovereign states which, because of their conceded theoretical independence, have felt free to proceed against other sovereign states with lawless aggression. Just outside the horizon of national laws still stretches the crime-infested jungle of international anarchy. It, therefore, is increasingly important that there should be a common meeting place for discussion and settlement of disputes in the full light of informed national and world public opinion, with the aid of the most useful types of fair, able, and independent agencies.

Third. Our own national history provides conclusive evidence of the indispensable value of a continuing tribunal established to stand impartially between the threats and rivalries and temporary blindness of competing sovereignties. Practically every reason advanced against the World Court was at one time or another seriously urged in this country against our Supreme Court by those who feared to see the 13 colonies united under a national banner. Able spokesmen in certain colonies even insisted that our Supreme Court would be composed of foreigners, residing in other American colonies which eventually joined the Union, who would with deliberate hostility pass upon problems of primary interest to the respective colonies when they became States of the Union under the Federal Constitution. Happily time and experience have dissipated those fears.

Fourth. The proposed experiment is not calculated to disturb any but the most sensitive among our citizens, for America is not committed by the proposed protocols and the cautious reservations accompanying them to any adjudication of its disputes with other nations except with its own consent. Indeed, our sole unescapable commitment would appear to be an indication of our willingness to bear our share in the moderate expense of an international tribunal to which controversies between nations may by mutual agreement be referred.

Fifth. Our country has been the principal advocate of the desirability and was the original promoter of a permanent world court, and the names and records of American leaders who have endorsed it sufficiently testify to the intelligence and patriotism of the proposal. All Presidents from McKinley and Theodore Roosevelt to Franklin Roosevelt have, without exception, endorsed such a tribunal as worthy of American adherence, and during the past 15 years, again without exception, our Presidents of both political parties

have urged adherence to the existing World Court as consistent with and even required by true loyalty to American ideals, traditions, and practices.

Sixth. Leaders of local, State, and American bar associations, among whom are included the most technically equipped and critical analysts of the significance and binding effect of language, have given the present protocols a clean bill of health, and public opinion generally may, I believe, be regarded as sustaining the pending proposal as a desirable initial effort to advance peace in the world, to substitute reason for the violence which in our destructive scientific age literally threatens to engulf the human race in suicide, and to promote a world of more cooperative and more prosperous relations and living conditions for all the sons and daughters of men.

Seventh. The World War conclusively demonstrated that no past war, even that which afflicted mankind from 1914 to 1918, has been comparable to the sum of all evils which will afflict mankind in lost and ruined lives and annihilated property if another such titanic struggle begins. It, therefore, proved that unless we recognize in principle the existence of a world community and lend the influence of our mighty Nation to sound institutional devices for promoting peace and economic well-being, world security in the future will be far less than the past.

Eighth. The ills in which some argue the World Court may involve us are the identical ills which have overtaken us in the absence of such a court—an unparalleled World War; millions of the bravest and best of the young men of America fighting and leaving their—and our—heroic dead on foreign soil, toward which, without recourse, we were irresistibly drawn in spite of all our heartfelt declarations of pacific neutrality; and all the resulting human wreckage and widening paralysis which still knock for remedial legislation at the doors of Congress. Surely we are imperatively ordered by common sense to forge new instrumentalities with which to shield ourselves from these age-old perils.

Finally, we are called upon by the most solemn pledges the living can give the dead to do our part by every reasonable device to put an end to war. Those who served at home and those of us who during the World War crossed seas, in every lane of which lurked mortal treachery, and who returned from foreign battlefields, gas, shell-shock, and other hospitals, and front-line trenches determined to give our all to the prevention of such recurring horrors, have no illusions about the hungry quicksands that lie in wait to bury civilization, unless we promptly bridge their ancient menace for the safe passage of the feet of coming generations. We have no alternative. We must do our part, building for the future ethically, materially, institutionally, and, of course, more and more equally and humanely, under the warning guidance of overwhelming experience.

If there were justification for believing that in the coming Senate test we are called upon to vote against the maintenance of America's system of government and our achieved and growing share in the world's proper evolution, or if our developed constitutional system of rights and duties could be regarded as in essentials threatened by our action, our support should, of course, be withheld. The truth rejects that contention. Adherence to the World Court, through the often determining weight of our country on the side of peace and under the conditions to be specified, will be distinguished by one concession only—an indication of our willingness to join other nations in maintaining a tribunal to which resort may voluntarily be had in lieu of war to seek to settle international disputes by practical, peaceful, and impartial means. And if, unhappily, after turning in the direction of a permanent World Court, this Nation ever deems it necessary to revert to its present uninsured independence, let us do so in the full light of recent history with its clear proof that such a step, however unavoidable, is backward and not forward. For just as surely as our informed Nation concludes that its true path follows the ancient claim of an unreasoning right to draw the sword, our ultimate destiny will be as certainly written as that of the Roman Empire, which perished by the sword.

Mr. President, beyond these general observations, in which there is little novelty, I have no desire to continue the discussion, and will conclude my remarks by asking that, following them, out of countless endorsements sent me, there be placed in the Record various resolutions of the American Bar Association and, as illustrative expressions of supporting western public sentiment, favorable resolutions of the Bar Association of Denver, my home city, and of the Bar Association of Larimer County, one of Colorado's most noted agricultural regions; also certain other representative resolutions, from which will be omitted any attempt to list the names of many prominent individual Colorado endorsers, urging America's prompt adherence to the World Court.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matters referred to are as follows:

#### RESOLUTION OF THE AMERICAN BAR ASSOCIATION

##### (1) RESOLUTION OF AUGUST 10, 1922

The American Bar Association, at its forty-fifth annual meeting, held in the city of San Francisco on the 10th day of August 1922, expresses the hope that a way may be found by which the Government of the United States may avail itself of the Permanent Court of International Justice.

##### (2) RESOLUTION OF AUGUST 31, 1923

*Resolved*, The American Bar Association joins in what it believes to be the wise judgment of the American people that the United States ought to become one [of the supporters] of the Permanent Court of International Justice at The Hague, and that our Government should therefore adhere to the protocol establishing the Court in the manner set forth by the President in his message of February 24, 1923.

##### (3) MOTION OF OCTOBER 24, 1929

SILAS H. STRAWN, of Illinois. I move that the report of the committee on international law be received and approved.

The motion was seconded.

Chairman WHITMAN. It has been moved and seconded that the report of the committee on international law be received and approved. The adoption of this report carries with it the approval of the American Bar Association of the World Court as to the terms and conditions set forth in the report. With that in mind, are you ready for a vote?

The motion thereupon was carried and the report approved.

##### (4) MOTION OF SEPTEMBER 18, 1931

Mr. SCOTT. The desire of your committee [on international law] at the present time is that the former action taken by this association be reaffirmed by this meeting by formal approval of the last paragraph of the report, which reads:

"Your committee, believing that the Permanent Court of International Justice is the greatest of international instrumentalities for the preservation of peace and of justice between nations, recurs to the approval given to the participation of the Government of the United States in the World Court, upon the terms and conditions set forth in the protocol of accession of the United States. It requests the American Bar Association to reaffirm at its forthcoming session in Atlantic City the action taken at the meeting of the association in Memphis in 1929; that the Government of the United States shall adhere to the Permanent Court of International Justice, upon the terms and conditions as stated in the protocol of adherence, to which it is a signatory; and the association respectfully requests and earnestly urges the Senate of the United States to advise and consent to the protocol of signature of the statute of the Permanent Court of International Justice, executed December 16, 1920, to the protocol of revision of the statute of the said Permanent Court, and to the protocol of accession of the United States, signed September 14, 1929, to which the Government of the United States became a signatory on December 9, 1929, which protocols were transmitted to the Senate on December 10, 1930, by the President of the United States."

On behalf of the committee, composed of George W. Wickersham, John W. Davis, William Cullen Dennis, Manley O. Hudson, and its chairman, I have the honor to request that the bar association, in its meeting on this occasion, reaffirm its attitude in the terms of the recommendation which I have had the honor of laying before you. I move the adoption of the report and the recommendation which it covers.

SILAS H. STRAWN, of Illinois. I second the motion.

The motion was carried and report adopted.

##### (5) RESOLUTION OF AUGUST 28, 1934

*Resolved by the American Bar Association*, That the association urges the Senate of the United States to give its consent and advice to the prompt ratification of the protocols already laid before it by the President providing that the United States join the treaty which establishes the Permanent Court of International Justice.

#### RESOLUTION OF THE DENVER BAR ASSOCIATION, JANUARY 13, 1930

Whereas the representative of the United States at Berne, acting under the direction of the President of the United States, has

signed the protocol of signature of the Statute of the Permanent Court of International Justice, the protocol of adherence of the United States to said protocol of signature, and also has signed the protocol of revision of the statute referred to, all to the end that the United States may become a member of said Court; and

Whereas the Permanent Court of International Justice, or World Court, as it is more commonly called, is a great constructive agency for the maintenance of international peace, needs increasing support from the public opinion of the world, and is needed in turn, not only by other nations but, from the standpoint of enlightened self-interest, by our own Nation as well; and

Whereas the United States may now safely become a member of said Court under the protocols referred to without either sacrifice of sovereignty or violation of traditional policies in international affairs: Now, therefore, be it

*Resolved*, That the Denver Bar Association earnestly favors the ratification of these protocols by the Senate of the United States; that a copy of this resolution, together with a copy of the report of the committee of the association, which is hereby approved, be sent to the Senators representing Colorado at Washington; and that a copy of the resolution be sent to the President of the United States.

RESOLUTION OF THE LARIMER COUNTY BAR ASSOCIATION, OCTOBER 20, 1932

*Resolved*, That it is the consensus of opinion of this association that the United States should adhere to the three protocols of accession to the World Court, and that the secretary be instructed so to advise the Members of Congress and United States Senators from Colorado.

NOVEMBER 3, 1932.

The following resolutions were unanimously adopted by the Synod of Colorado of the Presbyterian Church in the United States of America at its meeting in Denver, Colo., October 4-6, 1932:

"Whereas for 6 years now the question of our entry into the World Court has remained unsettled, in spite of the fact that the United States Senate, by a vote of 78 to 17, passed a resolution in 1926 providing for our entry into the World Court; and

Whereas there are now awaiting the Senate's ratification three treaties which are expected to come up for action in the Senate at the session opening in December 1932; and

Whereas these treaties, in the judgment of the administration and the Department of State, amply protect the United States in every possible contingency and successfully meet the reservations which the Senate attached to its 1926 resolution of adherence: Now, therefore, be it

*Resolved*, That the Presbyterian Synod of Colorado hereby urges early ratification of these treaties by the Senate of the United States.

Attest:

GEO. R. EDMUNDSON, *Stated Clerk*.

[Telegram]

DENVER, COLO., March 19, 1932.

Senator E. P. COSTIGAN,

Washington:

In behalf of international relations section League Women Voters have been requested to express to you their hope you will support World Court protocols, and, if longer delayed, you will urge they be reported out of committee for favorable Senate action.

ELIZABETH L. FACKT.

MARCH 21, 1932.

It is my privilege as secretary of the Colorado Committee on the Cause and Cure of War, representing 10 affiliated women's organizations, to write urging that you cast your vote in favor of the Root protocol allowing for the United States' entry into the World Court.

Yours very sincerely,

MARY W. RUFFNER, *Secretary*.

THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION,

Denver, Colo., December 19, 1931.

SIR: The Young Women's Christian Association have made a careful study of the World Court, and urge you to vote for the entrance of the United States into the Court of International Justice, believing that it is one of the first steps toward the recovery of our Nation, and for better relations among all people.

Respectfully yours,

MRS. HAROLD D. ROBERTS, *President*.

NATIONAL COUNCIL OF JEWISH WOMEN,

Denver, Colo., June 19, 1932.

The Denver section, Council of Jewish Women, ask you to use your influence to have the Senate act favorably on the ratification of the protocols concerning the World Court when such action comes before you, and we sincerely hope you may use your good offices to have a definite date fixed for debate on this subject before adjournment.

Sincerely,

FLORA A. HORNBEIN,  
*Chairman Committee on Peace.*

RESOLUTION ENDORSING THE WORLD COURT TREATIES UNANIMOUSLY ADOPTED IN JUNE 1933 BY THE COLORADO FEDERATION OF WOMEN'S CLUBS

Whereas the General Federation of Women's Clubs is on record as approving the adherence of the United States to the World Court; and

Whereas both the Republican and Democratic national platforms of last June endorsed ratification of the pending treaties which have already been signed by the United States; and

Whereas the completion of our adherence to the Court, as one of the outstanding agencies for the pacific settlement of international disputes, would contribute to the restoration of international confidence and freedom from the fear of war which, in turn, would contribute to economic recovery throughout the world; and

Whereas the World Court has functioned successfully for 11 years, in that time settling 45 questions, some of them delicate and difficult; and

Whereas the Court was established along lines suggested by the United States to the other nations so long as the First Hague Conference in 1899: Therefore be it

*Resolved*, That the Colorado Federation of Women's Clubs commends the favorable attitude toward the Court shown by Senators COSTIGAN and ADAMS and urges them to use their best efforts to secure ratification of the Court treaties at the earliest practicable time; and be it further

*Resolved*, That Senator COSTIGAN is hereby requested to read this resolution into the CONGRESSIONAL RECORD.

RESOLUTION PRESENTED TO THE COLORADO FEDERATION OF WOMEN'S CLUBS IN JULY 1933 BY THE DEPARTMENT OF INTERNATIONAL RELATIONS

Whereas the General Federation of Women's Clubs is on record as approving the adherence of the United States to the World Court; and both the Republican and Democratic platforms of last June endorsed ratification of the pending treaties which have already been signed by the United States; and the completion of our adherence to the Court as one of the outstanding agencies for the pacific settlement of international disputes would contribute to the restoration of international confidence and freedom from the fear of war which, in turn, would contribute to economic recovery throughout the world; and because the World Court has functioned successfully for 11 years, in that time settling 45 questions, some of them delicate and difficult; and because the Court was established along lines suggested by the United States to the other nations so long ago as the First Hague Conference in 1899: Therefore be it

*Resolved*, That the Colorado Federation of Women's Clubs commends the favorable attitude toward the Court shown by Senators COSTIGAN and ADAMS and urges them to use their best efforts to secure ratification of the Court treaties at the earliest practicable time; and be it further

*Resolved*, That Senator COSTIGAN is hereby requested to read this resolution into the CONGRESSIONAL RECORD.

MRS. SCOTT CAMPBELL, *Chairman*.

MRS. C. H. JACOBSON, *Vice Chairman*.

THE DENVER COUNCIL OF FEDERATED CHURCH WOMEN,

Denver, Colo., February 24, 1934.

SIR: At the quarterly meeting, February 20, of the Denver Council of Federated Church Women, a group from 15 denominations representing approximately 34,000 votes, a resolution was passed that we respectfully urge you to vote for the bill whereby the United States will become a member of the World Court.

Very truly yours,

MRS. HENRY G. DIETZ,

*First Vice President*.

MRS. JOHN CONNELL,

*Corresponding Secretary*.

DENVER, COLO., January 13, 1935.

In behalf of the members of the Committee on International Relations of the Denver branch of the American Association of University Women, I solicit your active cooperation in securing the adherence of the United States to the World Court protocol.

Respectfully yours,

FLORETTE (Mrs. J. P.) NORDLUND,

*Chairman, International Relations,*

*Denver Branch, American Association of University Women.*

[Night letter]

JANUARY 18, 1935.

President FRANKLIN D. ROOSEVELT,

*White House, Washington, D. C.:*

Colorado World Court Committee, consisting of 125 outstanding citizens of both parties in Colorado, earnestly express hope that Senate act promptly and favorably upon resolution for adherence to World Court reported by Committee on Foreign Relations January 10.

L. WARD BANNISTER,

*Chairman.*

MRS. OWEN E. LE FEVRE,

*Vice Chairman.*

PLATT R. LAWTON,

*Secretary.*

JANUARY 15, 1935.

Whereas the Foreign Relations Committee of the United States is again committed to the consideration of the adherence of the United States to the World Court; and

Whereas there has been an overwhelming expression of opinion favorable to our adherence to the World Court on the part of the outstanding leaders of American life in the political, social, educational, religious, and business organizations of the country; and

Whereas under present world conditions we believe that this country should strengthen wherever possible the machinery for international peace: Therefore be it

*Resolved*, That the Church Men's Planning Commission of Denver, Colo., petition the United States Senate to take prompt and favorable action in the ratification of the World Court protocols and that copies of this resolution be sent to Senators ROBINSON, COSTIGAN, AND ADAMS.

THE CHURCH MEN'S PLANNING  
COMMISSION OF DENVER, COLO.,  
ALFRED G. BROWN, *Chairman*.

Mr. RUSSELL. Mr. President, during the almost 16 years which have elapsed since the proposition of committing this country to the League of Nations or some of its instrumentalities was first raised in this body, the question has been discussed thoroughly from almost every angle. It is with some trepidation that I approach it here today, for I realize that the debate has been conducted by men who have been here this entire period and are more familiar with the subject than I could possibly be. But, sir, I would not feel that I was true to those whom I seek to represent here if I did not raise my voice to protest with every power of my being against the adoption of the pending resolution of adherence to the World Court. I would feel, sir, that I was false to my own convictions and had betrayed my own conscience did I not oppose the resolution of adherence, viewing it, as I do, as an abandonment of the time-honored foreign policy under which our country has prospered and grown great and populous.

I realize, sir, that we are led to understand from the press of the country that the die is already cast, that the question is already decided, and that those who oppose the World Court or the League Court speak here only by sufferance. We are told that in a short while more than two-thirds of this body will vote to commit our beloved country to this undertaking. I pray that this is not true. If it comes to pass it will be sad news to millions of people throughout the length and breadth of the United States who, though they may not understand all the complex issues involved, feel that today the admonitions of George Washington and the other founders of the Republic are just as applicable as they were when our Nation was launched upon the sea of time 150 years ago.

#### A PART AND PARCEL OF THE LEAGUE OF NATIONS

Perhaps those who oppose the adoption of the pending resolution serve a useful purpose here for the future, for when further steps shall be taken to commit this Nation to full membership in the League of Nations, perhaps some of this debate will be of avail. The World Court is surely but the first step of those who, having endeavored for years and years to commit this country to the League of Nations, having failed by direct methods, in their new program now attempt to take the question up piecemeal and step by step, lulling the people of this country into a false sense of security by talk of reservations and of duty to humanity, and thus to project us into this alien body. When we shall have gone into the World Court and sit with the other countries that are parties to the League and join in the election of judges and the adjudication of disputes referred to the Court by foreign countries, we will have taken a long step toward membership in the League of Nations. If we should ever go all the way, as many of those who urge us to adopt this resolution would have us go, and commit this country to membership in the League of Nations, we will pledge the lives of the youth of this country and the wealth of America to enforcing the sanctions of the League and perhaps the judgments of the World Court in settling Asiatic brawls and European quarrels that are of no remote concern to us. I do not know of a single individual or organization that through all these years has been laboring to force this Nation into the League of Nations that is not today endeavoring to secure the adoption of the pending resolution for our adherence to the World Court.

As an illustration of that, I have here some of the propaganda that is going the rounds. Every Member of this body has received a letter to the same tenor and effect. It reads:

Now, at last, when a vote is pending in the Senate on the adherence of the United States to the World Court, hundreds of thousands of us are looking to you with hope and confidence for your favorable vote.

May I call your attention to the fact that all political parties for many years in their platforms have gone on record as being in favor of the World Court?

Does that come, sir, from a World Court association? It is headed "The League of Nations Association, Inc." and comes from its national headquarters.

No one in this debate has denied that the World Court is a creature of the League of Nations and that it came into existence by virtue of article 14 of the Covenant of the League. How can it be said that it is not part of the League of Nations when the judges are elected by the League, when they are paid by the League, and their salaries are prescribed by the League, and when the Court cannot even determine a matter that is submitted to it by mutual consent without notifying the Secretary General of the League? The Secretary General conducts the election of the judges of the World Court for the League of Nations, and the League has the power to pension the judges who preside upon this Court. Even the money America will send to pay the expenses of operation of this Court will pass through the coffers of the League of Nations.

It will be exceedingly difficult to convince an ordinary mind that the Court is not part of the League, when the League created the Court, names the judges, fixes the amount of their compensation, and pays them.

We are told we are protected by reservations; that America's vital interests and traditional policies are safeguarded by those reservations and understandings. The mere fact that it was necessary to attach reservations to the protocol of accession and to the resolution this body passed in 1926 is sufficient to put any American on guard that there are many dangers lurking in our future pathway if we adhere to the Court.

But, sir, when we consider the reservations that were adopted by the Senate in 1926 and the shape and form in which this matter comes before us today, it is easy to see that the whittling process is already under way; that we are not to be permitted to go into the Court on our own terms but on the terms of Europe; and that there is a great deal of doubt as to whether or not these reservations and understandings, which were considered the very minimum of protection to the people of the United States in joining this Court, have not been emasculated or confused, and are today capable of two constructions.

#### RESERVATIONS DO NOT PROTECT

I cannot agree with those who say there is no question about all of the reservations being embraced in the pending resolution. I wish every Member of this body would read the brief on this subject submitted to the Committee on Foreign Relations by an eminent international lawyer, Hon. Reuben Clark. To my mind practically every reservation in its present form is capable of misunderstanding and double construction. We must remember that it was said by an eminent British statesman, "Let them come in; we will construe their reservations"; and that under the articles this Court is the judge of whether or not it has jurisdiction. There is likely to be misunderstanding as to each and every one of the reservations unless it be the one which provides that the United States shall defray its part of the cost of the Court. I doubt not there will be no misunderstanding on that score so long as we are sending money over to Europe to pay the expenses of their Court.

Why is there any pressing reason at this hour for America to seek to become a party to European affairs? It cannot be to protect the interests of the United States. We have no quarrels to adjudicate. It cannot be to protect the interests of any other nation from aggression by the United States. We have never been a militaristic people. There is nothing in our history or background that would tend to show that we are ever likely to be a militaristic people.

We have no differences to submit to the Court. America has a proud record of arbitration with foreign countries. It has been said here in the last few days that our controversy with Canada over the sinking of the *I'm Alone* was a matter that could have been properly referred to the World Court of the League of Nations for adjudication. To my mind, it is one of the most striking reasons and illustrations why we should not go into the Court. How much better it was for an American jurist and a Canadian jurist to sit down and quietly work out the matter without arousing national passions and prejudices through a great open hearing before the World Court, 3,000 miles from our shores. How much better it was for those whose interests were involved to pass upon the matter than to have judges from 15 countries, of different tongues and nationalities and systems of law, decide the dispute. There two men worked out the matter amicably and without the slightest indication of international feeling. Could the members of the World Court do better?

Mr. President, I ask at this point to place in the RECORD as a part of my remarks the names of the officers, judges, and members of the World Court.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

OFFICERS, JUDGES, AND MEMBERS OF THE WORLD COURT (AS OF JAN. 1, 1934)

A. Officers and judges of the Permanent Court of International Justice.

1. President of the Court, Sir Cecil James Barrington Hurst (Great Britain).
2. Vice president of the Court, J. Gustavo Guerrero (Salvador).
3. Registrar of the Court, Ake Hammarskjöld (Sweden).
4. Deputy registrar of the Court, M. L. J. H. Jorstad (Norway).
5. Judges: Mineichiro Adachi (Japan), Rafael Altamira y Crevea (Spain), Dionisio Anzilotti (Italy), Antonio Sanchez de Bustamante y Sirven (Cuba), W. Jan Mariu van Eysinga (Netherlands), Henri Fromageot (France), J. Gustavo Guerrero (Salvador), Cecil James Barrington Hurst (Great Britain), Frank Billings Kellogg (United States), Demetre Negulesco (Rumania), Edouard Rolin-Jaequemyns (Belgium), Michel Rostworowski (Poland), Walter Schuecking (Germany), Francisco Jose Urrutia (Colombia), Wang Chung Hui (China).

OUTNUMBERED, OUTVOTED, AND DESPISED

Mr. RUSSELL. America's interests will be protected more fully by direct arbitration with any nation with which we might be engaged in a controversy than it would be by submission to such a court. In the selection of the judges who might be called on to decide the fate of America, England would have 7 votes in the Assembly of the League of Nations to our 1, and our great Republic would have no more voting strength in the Assembly than the small Negro Republics of Haiti and Liberia.

We are told, sir, that though we may not need this Court, though we have no questions to submit to it, though no perils immediately await us or any other nation at our hands, yet it is a matter of duty to the rest of the world to go into the Court and make our contribution to peace. Mr. President, how any man in this Nation can be under any illusion today that our meddling in the affairs of Europe promotes peace or is in anywise appreciated is, in the light of very recent experience, more than I can understand.

Within the lifetime and recollection of every person here today America's sons marched away from these shores and went 3,000 miles to fight in the great war that was to end all wars. Some of them did not thoroughly understand the issues involved, but all had held up before them this ideal of a war that was to bring everlasting peace. In that war we gave the blood of our sons and we gave lavishly of our national wealth. We saw the hearts of mothers broken; we saw thousands of men return so maimed on the cruel wheel of war that theirs is a living death. But what has been the result? We asked for nothing out of that war but peace and good will. Our allies were not so idealistic. Italy dismembered Austria; France took Alsace-Lorraine and forged a ring of steel around her ancient enemy, Germany, with corridors and buffer states; England picked up colonies in every quarter of the globe; Japan secured valuable concessions in China and the mandated islands of the Pacific.

Today, when we merely ask for a portion, and a small portion, of the honest debts the European nations owe us, we are met with a flat refusal and scorned and despised by our debtors. Who would say they would not be delighted to get us into a Court where they could procure a judgment that these debts were not debts at all, but were merely America's contribution to the war? We hear this argument advanced by many of our debtors today.

Men talk today of maintaining peace when there is no peace. There has been but a brief period since the armistice of November 11, 1918, when guns have not been fired in anger in some part of the world. Will our mere entry into the World Court, with all the hazards involved to our country, change the character of human passions and harness the prejudices of thousands of years, and thereby bring peace to all the nations?

There is no peace today in South America. There is no peace today in Asia. There is no peace today in Africa. If peace is brought where war now rages, it will only be by the action of armed forces. I will not commit America to such an enterprise.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Louisiana?

Mr. RUSSELL. I yield.

Mr. LONG. I want to ask the Senator if there has not been more war in South America since the League of Nations started than during any similar period before the League of Nations came into existence?

Mr. RUSSELL. I am not an expert on South American history. I do know that a very bloody war has been raging there between two members of the League of Nations and adherents to the World Court. That war started since those countries entered this combine that we are told will end all war and bring on an era of everlasting peace. It is only in this country that men stand on the floors of their parliaments and contend that America's action in entering the Court or the League will bring peace. It is well known throughout the length and breadth of the other nations of the world that any nation that had the power to do so has defied the League and trampled upon its rulings.

The PRESIDING OFFICER. The time of the Senator from Georgia on the amendment has expired.

Mr. RUSSELL. I shall take my time on the resolution.

I heard the great leader of our party here make an appeal that would touch the hearts of all mankind who are praying for peace, and say that our action in entering this organization will contribute to that end. How do those who have been in the League and who are members of the World Court, both in the Council and in the Assembly, since its inception, view the possibilities of peace that flow from those bodies?

Instead of depending on the League of Nations for peace, they maintain the greatest armies and armaments which the world has ever seen. Without resorting to open discussions in the halls of the League and the forum of the Court, we still hear the age-old cry of a balance of power and secret treaties of offense and defense.

AMERICA AT PEACE; EUROPE WAR-MINDED

It is easy to know what Europe is thinking today because most of the nations there are ruled by the iron hand of a single man and when he speaks he voices the thought of the great majority of his people. To my mind Mussolini is today the strongest character in Europe, whether he and his policies are worthy of admiration or not. What does he say when he comes to define the system of government that he has imposed upon Italy? Here is what he said:

Fascism \* \* \* does not believe either in the possibility or the utility of perpetual peace. It, therefore, repudiates pacifism, which betrays a tendency to give up the struggle and implies cowardice in the face of the necessity of sacrifice.

Those of you who expect peace to come from joining hands with Europe listen to this:

Only war raises all human energies to the maximum and sets a seal of nobility on the peoples which have the virtues to undertake it. All other tests are mere substitutes, which never place man face to face with himself in the alternatives of life or death.

Any doctrine, therefore, which starts from the initial postulate of peace is foreign to fascism.

Equally unrelated to the spirit of fascism are all those international and League of Nations institutions—even if they are accepted for the usefulness they may have in certain political situations—which, as history proves, may be scattered to the winds when sentimental, ideal, or practical elements cause storms to rage in the hearts of peoples.

Here is war glorified by an entire nation. This is the view of one who dominates a member of the Assembly and of the Council of the League, and a nation that has a judge on the Court. We are asked to join this in the cause of peace. This reflects the spirit of a Europe which is today an armed camp. And yet honest and misguided people insist that if we will only join the League and its Court the time of the millennium would be at hand, and peace would reign permanently on earth.

Mussolini tells us differently. He frankly puts us on notice that he intends to adhere to the League of Nations and its actions only as long as it will serve his political ends, but that when it comes in conflict with material interests, it will be scattered to the winds.

It might be said that that is only the viewpoint of the stronger nations and it is our duty to go into the Court and these other international supergovernments to protect the welfare of the weaker nations of the earth. Mr. President, I believe that no American citizen today would doubt the probity of the character of the people of Finland. If there is any nation today that has respect for international understandings, that lives up to the letters of its obligations, it is Finland. Of all the nations we loaned hundreds of millions of dollars after the war was over to rebuild that which had been destroyed and to develop resources and new industries, only Finland has repaid us in full according to the terms of her agreement. They are a people who believe in international understanding. Have they any faith or confidence in the World Court or the League of Nations or any of these other organizations which we are told are panaceas for all the ills of mankind and will bring about everlasting peace?

Listen to the words of Gen. Justus Mannerheim, the President of the Council of National Defense of Finland, and the man who conducted military operations which restored order in that country:

General Mannerheim emphasized that Finland's peaceable disposition is an insufficient guarantee of peace. . . .

"Recently there has been much talk of settling international conflicts by peaceful means, but it is still futile to base our independence on international agreements, as is seen by numerous recent disputes which despite mediation have been ultimately settled by arms."

So I say, sir, that even those who today are carrying on the operations of the League of Nations have no hope that it will bring peace. If we would stay out of the next European war, we had best leave it and its creatures alone.

Mr. President, as I view our relation to the other nations of the world, these United States can be a more powerful factor for peace outside the World Court and without membership in the League of Nations than we could possibly be by joining these bodies. In the League or Court our great influence would be necessarily limited or greatly circumscribed.

As 1 of 60 nations participating in these matters, it would be almost lost or dissipated. When foreign nations shall have exhausted the means provided by the Court and by the League, giving those bodies full credit for a sincere desire to adjust their controversies according to the dictates of right and justice, where shall they appeal if there is still disagreement? Only to the arbitrament of the sword. The United States, standing aloof, and with other nations knowing that we have no reason to take sides for or against one or the other, might then have an opportunity to speak with the voice of reason and be heard at least long enough to delay hostilities until a cooling time could come about.

We have no secret compacts or alliances. All of our foreign questions are treated where all the world may hear. We are far removed from the touchy problems which are likely to cause war, and this places us in an enviable position where

we may really be an instrumentality for peace if we do not surrender this advantage for a political connection with those who have problems which are likely to cause difficulties.

I realize, sir, that we live in an age of change. I know that this Congress believes in departing to some extent from the paths this Nation has followed in the past. Some of these changes I shall support; but if we make an error on some purely domestic question, we have within our own hands the means of correcting it. If we violate our Constitution, the Supreme Court of these United States, a wholly American institution, can declare our action void, as they have done within the past few days, and doubtless will do again. If we should enact some law that was constitutional but injurious to the people of the United States, this Congress or the succeeding Congress would have the right to repeal it. But if we should deceive ourselves on this issue, if we should err and adhere to a tribunal established in Europe and largely dominated by European nations, what man can foretell the full consequences of our action?

#### "AMERICA FIRST" THE WATCHWORD

Mr. President, my views are frankly those of a nationalist. For that I have no apologies to make. I cannot understand the processes of thought of some of the internationalists of this country today. Some of them say that "a man is proud of his country when he has nothing else to be proud of." I read those words in print but a few weeks ago. I cannot see that it is honest to take all the blessings of American citizenship and not appreciate the sacrifices that have been made in order that we might enjoy them.

I am a citizen of the United States of America first. After America's best interests have been served, I am a citizen of the world. I desire peace on earth among all mankind; but my first concern is to keep America out of wars. I am interested in the welfare of humanity wherever the race of mankind is found; but I would not sacrifice the life of one American youth, in a quarrel in which he has no stake and which he does not understand, to save the lives of 10,000 citizens of another land.

There is no doubt in my mind, sir, as to my duty in this matter. If there were doubt in my mind, I should resolve it in favor of America's traditional policy of good will toward all people, and entangling political commitments with none.

If there were a question in my mind as to whether or not the utopia that has been painted here could be achieved, if there were even a semblance of fear that it would prove to be a mirage that would lead us off into the desert of foreign complications, I would decide this issue in favor of the foreign policy which has enabled us to reach the exalted position we occupy today.

In my humble way I believe that the mature thought of Washington, Jefferson, Monroe, and the other founders has been vindicated by every happening since they left us their wise advice. Despite economic cycles and recurrent depressions, we have done very well as a Nation in the past 150 years. We have made more progress than any other country has ever made in, I might say, a thousand years. We have largely contributed to carry all civilization forward with us. My faith in this policy, under which we have prospered and grown great, is as deep as it is in these modern-day prophets who advise us to abandon it. When I look about me today I can see no reason presented by the condition of world affairs that would justify us in projecting the United States into a foreign body that cannot possibly benefit the American people, and may result in incalculable confusion and woe.

Mr. LONG. Mr. President, I desire to modify my reservation, just changing the verbiage, so that it will read according to the draft, which I send to the desk.

The PRESIDING OFFICER. The clerk will read the modified amendment.

The Chief Clerk read as follows:

Resolved further, That adherence to the protocols and statute of the Permanent Court of International Justice is upon the express condition and with the clear understanding that the American policy commonly known and referred to as the "Monroe

Doctrine" is and shall in no matter be affected or in any respect modified, nor shall the United States, by reason of such adherence, be regarded as waiving or in any respect changing its attitude toward the policy known as the "Monroe Doctrine."

The PRESIDING OFFICER. The question is on the modified reservation offered by the Senator from Louisiana.

Mr. LONG. I call for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. DICKINSON (when his name was called). On this question I have a pair with the senior Senator from Kentucky [Mr. BARKLEY], who is necessarily absent from the Senate today, and, therefore, withhold my vote. If at liberty to vote, I should vote "yea." If the Senator from Kentucky were present and at liberty to vote, he would vote "nay."

Mr. HASTINGS (when his name was called). On this question I have a pair with the senior Senator from New York [Mr. COPELAND], and, therefore, refrain from voting. If the Senator from New York were present, my understanding is that he would vote "nay." If I were at liberty to vote, I should vote "yea."

The roll call was concluded.

Mr. LEWIS. I reannounce the absences announced by me upon the previous roll call and the reasons therefor.

I wish further to announce that the Senator from Utah [Mr. THOMAS], the Senator from Montana [Mr. WHEELER], and the Senator from Washington [Mr. BONE] are detained from the Senate on official business.

Mr. AUSTIN. I announce the absence of my colleague [Mr. GIBSON] on account of public business. I am informed that he has a general pair with the Senator from California [Mr. McADOO]. I am not informed how either Senator would vote on this question if present.

The result was announced—yeas 35, nays 46, as follows:

#### YEAS—35

|         |             |          |               |
|---------|-------------|----------|---------------|
| Austin  | Donahay     | McGill   | Schall        |
| Barbour | Frazier     | McNary   | Shipstead     |
| Borah   | Gore        | Murphy   | Steiwer       |
| Capper  | Hale        | Murray   | Thomas, Okla. |
| Caraway | Johnson     | Norbeck  | Townsend      |
| Carey   | Keyes       | Norris   | Trammell      |
| Couzens | La Follette | Nye      | Walsh         |
| Cutting | Long        | Reynolds | White         |
| Davis   | McCarran    | Russell  |               |

#### NAYS—46

|          |           |           |               |
|----------|-----------|-----------|---------------|
| Adams    | Byrnes    | Hatch     | Pittman       |
| Ashurst  | Clark     | Hayden    | Pope          |
| Bachman  | Connally  | King      | Radcliffe     |
| Bailey   | Coolidge  | Lewis     | Robinson      |
| Bankhead | Costigan  | Logan     | Schwellenbach |
| Bilbo    | Dieterich | Loneragan | Sheppard      |
| Black    | Duffy     | Maloney   | Smith         |
| Brown    | Fletcher  | Metcalf   | Truman        |
| Bulkley  | Gerry     | Minton    | Van Nuys      |
| Bulow    | Glass     | Moore     | Wagner        |
| Burke    | Guffey    | Neely     |               |
| Byrd     | Harrison  | O'Mahoney |               |

#### NOT VOTING—13

|           |          |              |            |
|-----------|----------|--------------|------------|
| Barkley   | George   | McAdoo       | Tydings    |
| Bone      | Gibson   | Overton      | Vandenberg |
| Copeland  | Hastings | Thomas, Utah | Wheeler    |
| Dickinson |          |              |            |

So Mr. Long's reservation, as modified, was rejected.

Mr. DAVIS. Mr. President, I offer the reservation which I send to the desk.

The PRESIDING OFFICER. The clerk will read the reservation proposed by the Senator from Pennsylvania.

The legislative clerk read as follows:

On line 10, page 2, after the comma, strike out "over an objection by" and insert in lieu thereof the following: "without the consent of."

Mr. DAVIS. Mr. President, the purpose of the amendment which I offer is to clarify beyond doubt the meaning of the resolution.

On line 10, page 2, of the resolution, my amendment proposes to strike out the phrase "over an objection by" and to insert in lieu thereof the phrase "without the consent of."

I refer, of course, to the consent of the United States in the event the resolution shall be adopted.

A casual perusal of the phrase "over an objection by" may not create in the mind of the reader any serious doubt as to its meaning, but literally it would mean that if the United States took negative action, or no action whatsoever, the Court could proceed on the theory that silence gives consent. In such event, we would be committed to a judgment or decree of the Court, perhaps against our desire and pleasure. Therefore, it seems to me that great clarification is embodied in the phrase "without the consent of."

This means, Mr. President, that the United States must take an affirmative and a positive action, and in so doing would commit this Government to cooperation with the Court and adherence to its decrees.

The phrase "without the consent of" was originally incorporated in the resolution in the Walsh-Fess report, but has been omitted in the report submitted by the senior Senator from Arkansas.

The PRESIDING OFFICER. The question is on agreeing to the reservation.

Mr. ROBINSON. Mr. President, I ask the attention of the Senate for just a moment. The language incorporated in the resolution, and which the Senator from Pennsylvania seeks to change, is, in my judgment, preferable to the language he offers, for the reasons which I shall attempt to give.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield.

Mr. NORRIS. I wish the Senator would point out the line and the place where the amendment is proposed to be inserted.

Mr. DAVIS. Mr. President, in my remarks I stated that the amendment would come on line 10, page 2 of the resolution.

Mr. ROBINSON. Mr. President, I wish to have the opportunity, within the 15 minutes I may occupy, to explain why the language in the pending resolution is preferable to the language the Senator offers.

Under the language which the Senator from Pennsylvania has offered, all requests for advisory opinions must be consented to by the United States. Under the language I have incorporated in the resolution, unless the United States shall object, there will be opportunity for the entertainment of a request for an advisory opinion.

From a practical standpoint, this is the way it will operate. Under the Root formula, notice must be served on the United States of every request for an advisory opinion. Under the language which the Senator from Pennsylvania proposes, the United States must consent before any advisory opinion may be entertained or rendered. Under the language I have proposed, unless the United States shall have an objection, it need not take any action.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. ROBINSON. I yield.

Mr. NORRIS. Will the Senator point out in the protocol just where is to be found, or state without pointing it out, the language whereby it is provided that the United States must have this notice?

Mr. ROBINSON. Yes. I can state it from memory, though I cannot number the paragraph from memory. When a request for an advisory opinion is pending before either the Assembly or the Council, notice must be served on all states' members of the Court, including the United States, and that provision has been carried over into the statute. If the request comes before the Court, notice is given. So that in every instance of a request for an advisory opinion, the United States is given the opportunity to object to it. What I am seeking to do is to save the United States the inconvenience of consenting to the entertainment of an opinion or the rendition of an opinion when it feels that there is no interest on our part in the subject matter.

Mr. NORRIS. Mr. President, may I interrupt the Senator again?

Mr. ROBINSON. Yes.

Mr. NORRIS. I think the Senator has answered now the question that interested me. If the United States has notice

of a request and does not object, I can see no reason why they should not go ahead.

Mr. ROBINSON. That is exactly my position.

Mr. NORRIS. If it were a case where the United States did not have notice or there was no notice provided for, it would be a different case.

Mr. ROBINSON. Oh, certainly; but the interest of the United States in that respect is amply safeguarded. It must have notice of every request for an opinion, and it is given the opportunity to file a statement with the Court and to make objection in every case. It is my thought that there is no occasion to require the United States to delve into every question affected by a request for an advisory opinion, for many of them will relate to subjects matter in which we have no interest or concern whatever.

I think that is all I care to say about it.

The PRESIDING OFFICER. The question is on agreeing to the reservation proposed by the Senator from Pennsylvania [Mr. DAVIS].

Mr. DAVIS. On that question I ask for the yeas and nays.

Mr. ROBINSON. I do not object to a roll call on the reservation if the Senator asks for it.

Mr. JOHNSON. I ask for the yeas and nays because the Senator from Pennsylvania requested it, and so that a yeas-and-nay vote may be recorded.

Mr. ROBINSON. I do not object to a record of it. I shall be glad to have the Senate go on record about the matter. The issue is very clear to me.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. HASTINGS (when his name was called). On this question I have a pair with the senior Senator from New York [Mr. COPELAND]. It is my understanding that if he were present he would vote "nay" on this question. If I were at liberty to vote, I should vote "yea." I withhold my vote.

Mr. AUSTIN. I repeat the announcement of the general pair with my colleague [Mr. GIBSON] on this question.

The roll call was concluded.

Mr. DICKINSON (after having voted in the affirmative). I have a general pair with the senior Senator from Kentucky [Mr. BARKLEY]. If he were present, I understand that he would vote "nay." If I were at liberty to vote, I should vote "yea." I withdraw my vote.

Mr. HASTINGS. I transfer my pair with the senior Senator from New York [Mr. COPELAND] to the senior Senator from Oregon [Mr. McNARY], who is temporarily detained on official business, and will vote. I vote "yea."

Mr. LEWIS. I rise to reannounce the absences of the Senators whose names I have given on the previous roll calls, and again announce the reasons for their absences.

I also wish to announce that the junior Senator from Kentucky [Mr. LOGAN], the junior Senator from Montana [Mr. MURRAY], and the junior Senator from Georgia [Mr. RUSSELL] are detained on official business of the Senate.

The result was announced—yeas 27, nays 54, as follows:

## YEAS—27

|         |             |          |            |
|---------|-------------|----------|------------|
| Austin  | Frazier     | McCarran | Shipstead  |
| Barbour | Gerry       | McGill   | Steiwer    |
| Borah   | Gore        | Murphy   | Townsend   |
| Capper  | Hastings    | Norbeck  | Trammell   |
| Carey   | Johnson     | Nye      | Vandenberg |
| Davis   | La Follette | Reynolds | White      |
| Donahay | Long        | Schall   |            |

## NAYS—54

|          |           |           |               |
|----------|-----------|-----------|---------------|
| Adams    | Clark     | Hayden    | Radcliffe     |
| Ashurst  | Connally  | Keyes     | Robinson      |
| Bachman  | Coolidge  | King      | Schwollenbach |
| Bailey   | Costigan  | Lewis     | Sheppard      |
| Bankhead | Couzens   | Loneragan | Smith         |
| Bilbo    | Cutting   | Maloney   | Thomas, Okla. |
| Black    | Dieterich | Metcalf   | Thomas, Utah  |
| Brown    | Duffy     | Minton    | Truman        |
| Bulkley  | Fletcher  | Moore     | Van Nuys      |
| Bulow    | Glass     | Neely     | Wagner        |
| Burke    | Guffey    | Norris    | Walsh         |
| Byrd     | Hale      | O'Mahoney | Wheeler       |
| Byrnes   | Harrison  | Pittman   |               |
| Caraway  | Hatch     | Pope      |               |

## NOT VOTING—13

|           |        |        |         |
|-----------|--------|--------|---------|
| Barkley   | George | McAdoo | Overton |
| Bone      | Gibson | McNary | Russell |
| Copeland  | Logan  | Murray | Tydings |
| Dickinson |        |        |         |

So the reservation proposed by Mr. DAVIS was rejected.

Mr. ROBINSON. Mr. President, there are some reservations which have not as yet been disposed of. I find that it will not be possible to take the final vote on the resolution of adherence today. There is a matter of legislative importance that should be disposed of, and, after the Executive Calendar shall have been acted upon, it is my purpose to move to proceed to consider legislative business, with the expectation that the remaining issues pertaining to the World Court may go over until tomorrow, when ample time probably will be afforded to conclude the whole subject.

Mr. BORAH. Mr. President, may I ask what is the legislative matter to which the Senator refers?

Mr. ROBINSON. It is a deficiency appropriation carried in House Joint Resolution 88, and it is necessary to have it disposed of before the 1st of next month.

The PRESIDING OFFICER. The clerk will state the first nomination in order on the calendar.

## FEDERAL POWER COMMISSION

The legislative clerk read the nomination of Frank R. McNinch, of North Carolina, to be a member of the Federal Power Commission.

Mr. ROBINSON. Mr. President, the Senator from North Carolina [Mr. BAILEY] has requested that that nomination go over for the day. I make the request, on his behalf, that it be passed over.

The PRESIDING OFFICER. The nomination will be passed over.

Mr. McCARRAN subsequently said: Mr. President, the matter of the first nomination to the Federal Power Commission was read when my attention was distracted. Am I to understand it was confirmed?

Mr. ROBINSON. No; it was passed over at the request of the Senator from North Carolina [Mr. BAILEY].

Mr. McCARRAN. I want to join in that request.

## FEDERAL TRADE COMMISSION

The legislative clerk read the nomination of W. A. Ayres, of Kansas, to be Commissioner of the Federal Trade Commission.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Garland S. Ferguson, Jr., of North Carolina, to be a member of the Federal Trade Commission.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

## NATIONAL MEDIATION BOARD

The legislative clerk read the nomination of John Carmody, of New York, to be a member of the National Mediation Board, for the term expiring February 1, 1935.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of John Carmody, of New York, to be a member of the National Mediation Board, for the term expiring February 1, 1938.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of James W. Carmalt, of the District of Columbia, to be a member of the National Mediation Board.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of William M. Leiserson, of Ohio, to be a member of the National Mediation Board.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

## RAILROAD RETIREMENT BOARD

The legislative clerk read the nomination of Lee M. Eddy, of Missouri, to be a member of the Railroad Retirement Board.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Murray Latimer, of New York, to be Chairman of the Railroad Retirement Board.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of John T. Williamson, of Illinois, to be a member of the Railroad Retirement Board.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

## THE JUDICIARY

The legislative clerk read the nomination of Alex Smith to be United States marshal, northern district of Alabama.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

## POSTMASTERS

The legislative clerk proceeded to read the nominations of sundry postmasters.

Mr. ROBINSON. I ask that the nominations of postmasters be confirmed en bloc with the exception of the nomination of Samuel M. Glading to be postmaster at Wenonah, N. J., and I ask that his nomination be recommitted to the Committee on Post Offices and Post Roads.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the post-office nominations, with the exception requested, are confirmed en bloc, and the nomination of Samuel M. Glading is recommitted to the Committee on Post Offices and Post Roads.

## LEGISLATIVE SESSION

Mr. ROBINSON. I move that the Senate proceed to the consideration of legislative business.

The motion was agreed to.

## ADDITIONAL APPROPRIATIONS FOR FEDERAL COMMUNICATIONS AND OTHER COMMISSIONS

Mr. ADAMS. I move that the Senate proceed to the consideration of House Joint Resolution 88.

The motion was agreed to; and the Senate proceeded to consider the joint resolution (H. J. Res. 88) making additional appropriations for the Federal Communications Commission, the National Mediation Board, and the Securities and Exchange Commission for the fiscal year ending June 30, 1935.

The Chief Clerk proceeded to read the joint resolution, which had been reported from the Committee on Appropriations with amendments.

The first amendment of the committee was, at the top of page 2, to insert:

## SENATE

For miscellaneous items, exclusive of labor, fiscal year 1935, \$140,000.

The amendment was agreed to.

The next amendment was, on page 2, after line 3, to insert:

For expenses of inquiries and investigations ordered by the Senate, including compensation to stenographers of committees, at such rate as may be fixed by the Committee to Audit and Control the Contingent Expenses of the Senate, but not exceeding 25 cents per hundred words, fiscal year 1935, \$75,000: *Provided*, That no part of this appropriation shall be expended for services, personal, professional, or otherwise, in excess of the rate of \$3,600 per annum: *Provided further*, That no part of this appropriation shall be expended for per diem and subsistence expenses except in accordance with the provisions of the Subsistence Expense Act of 1926, approved June 3, 1926, as amended.

The amendment was agreed to.

The next amendment was, on page 2, after line 15, to insert:

## DISTRICT OF COLUMBIA-VIRGINIA BOUNDARY COMMISSION

For an additional amount for the purpose of carrying out the provisions of Public Act No. 125, Seventy-third Congress, entitled

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"An act to provide for the appointment of a commission to establish the boundary line between the District of Columbia and the Commonwealth of Virginia", approved March 21, 1934, including salaries, travel, and subsistence expenses as authorized by law, fiscal year 1935, \$4,000.

The amendment was agreed to.

The next amendment was, on page 4, line 22, to strike out "\$825,000" and insert "\$975,000", so as to read:

For all authorized expenditures of the Securities and Exchange Commission in performing the duties imposed by law or in pursuance of law and for other personal services, including employment of experts when necessary; contract stenographic reporting services; supplies and equipment; purchase and exchange of law books, books of reference, directories, periodicals, newspaper and press clippings; travel expenses, including the expense of attendance, when specifically authorized by the Commission, at meetings concerned with the work of the Securities and Exchange Commission; garage rental; foreign postage; mileage and witness fees; rent of building and equipment at the seat of Government and elsewhere; and other necessary expenses; \$975,000.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

Mr. ADAMS. Mr. President, by direction of the committee, I ask to submit an additional amendment. I may say that the amendment has to do with the clarification of the present law in reference to the payments of salaries of Senators for short terms and following appointments. Mr. Pace, the financial officer of the Senate, says that this amendment is essential in order that his books may be kept straight. It does not involve any additional appropriation whatsoever, but it is merely a clarifying amendment. I move its adoption.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 2, after line 5, it is proposed to insert the following:

Salaries of Senators appointed to fill vacancies in the Senate shall commence on the day of their appointment and continue until their successors are elected and qualified: *Provided*, That when Senators have been elected during a sine die adjournment of the Senate to succeed appointees, the salaries of Senators so elected shall commence on the day following their election.

Salaries of Senators elected during a session to succeed appointees shall commence on the day they qualify: *Provided*, That when Senators have been elected during a session to succeed appointees, but have not qualified, the salaries of Senators so elected shall commence on the day following the sine die adjournment of the Senate.

When no appointments have been made the salaries of Senators elected to fill such vacancies shall commence on the day following their election.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. ADAMS].

Mr. NORRIS. Mr. President, I should like to have the Senator from Colorado explain the amendment.

Mr. ADAMS. Mr. President, the situation as to that amendment is perhaps best explained by the very terms of the amendment itself. The finance officer of the Senate, as I understand, has explained that in the statute as it now exists there is some slight ambiguity in reference to the times of payment of salary when Senators are appointed to fill a vacancy caused by death and when they are elected for less than a full term, and he has asked that that ambiguity be clarified by this amendment, which, as I have said, makes no difference whatever in the pay scale of any Senator and involves no additional obligation on the part of the Government. The amendment is made up of three sections, one of which refers to the salaries of Senators appointed to fill vacancies in the Senate, and provides that—

Salaries of Senators appointed to fill vacancies in the Senate shall commence on the day of their appointment and continue until their successors are elected and qualified: *Provided*, That when Senators have been elected during a sine die adjournment of the Senate to succeed appointees, the salaries of Senators so elected shall commence on the day following their election.

Then the second paragraph reads as follows:

Salaries of Senators elected during a session to succeed appointees shall commence on the day they qualify: *Provided*, That

when Senators have been elected during a session to succeed appointees, but have not qualified, the salaries of Senators so elected shall commence on the day following the sine die adjournment of the Senate.

The third paragraph reads:

When no appointments have been made, the salaries of Senators elected to fill such vacancies shall commence on the day following their election.

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER (Mr. DUFFY in the chair). Does the Senator from Colorado yield to the Senator from Nebraska?

Mr. NORRIS. I wanted the floor in my own right. If the Senator from Colorado has not concluded, I will wait.

Mr. ADAMS. I have concluded.

Mr. NORRIS. Then, Mr. President, let me say that the law regarding the oath of office and the commencement of the term of office of a Senator needs clarification; it needs some amendment. Ridiculous situations arise. I am not sure whether it is the fault of the Federal law or of the State laws. I have had the question under consideration for a good while, but I have never examined it fully. For instance, we have had a case, this time from my State, where an appointment was made after the death of my recent colleague, the late Senator Howell, and subsequently a different man was elected to fill the vacancy in the term ending on the 3d day of January. The situation arose that the appointee, who had been serving here, retired upon the election of a person to fill out the unexpired term which expired on the 3d of January, and a new Senator, my present colleague [Mr. BURKE], was elected for the full term beginning on the 3d of January.

We had this predicament: A man was elected as a Senator from the State commencing the day after the election and serving until the 3d day of January, or not quite 2 months. During that time there was no session of the Senate, and, as a matter of fact, he never took the oath of office, but he had been elected and served for those 2 months. He was entitled to have a full office force and entitled to draw the salary. I am not complaining about that. He would have made a very fine Senator if he had served the full term.

A similar case came up in recent years from the State of Georgia where a person was appointed to fill a vacancy, the appointment expiring upon the election of the successor who in that case, as in the one I have been discussing, was elected to fill the unexpired term. It all occurred during a recess of Congress. The person given the certificate of election would have had no opportunity in that case to present it, of course. In the Georgia case, by courtesy of the elected Senator, the appointee was given an opportunity to submit her certificate of election, take her seat, be recognized by the Chair, and make a speech. At the conclusion of her speech the Senator-elect presented his credentials and was sworn in, and the lady went out of office.

In the case I have mentioned, which came later from the State of Nebraska, the appointed Senator for the 2 months' period did not even have the privilege or the opportunity of being sworn in because the Senator who was elected for the whole term very properly presented his credentials and was sworn in. The other gentleman, who had been drawing the salary and who had a complete office force at his command, was not sworn in at all.

I bring this to the attention of the committee because of the amendment they have brought before us. We ought to amend the law, it seems to me, so that instead of the appointee's term expiring the day after election in November and the new Senator being elected to hold office from November to January, the appointee's term ought not to expire until the 3d of January. Unless we should have a special session in the interim between election day in November and the 3d of January, the elected Senator never could be sworn in. Such an amendment would get us out of the ridiculous position in which we have found ourselves twice and which may happen many times in the future.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado on behalf of the Committee on Appropriations.

The amendment was agreed to.

Mr. McCARRAN. Mr. President, I have on the table an amendment which I ask to have reported.

The PRESIDING OFFICER. The amendment will be read for the information of the Senate.

The CHIEF CLERK. The Senator from Nevada proposes at the end of the joint resolution to insert the following new section:

#### COMPENSATION OF GOVERNMENT OFFICERS AND EMPLOYEES

SEC. 2. (a) Section 3 (b) of title II of the act entitled "An act to maintain the credit of the United States Government", approved March 20, 1933, as amended, is amended by striking out "shall not exceed 5 percent during the fiscal year ending June 30, 1935", and inserting in lieu thereof "shall not, during the portion of the fiscal year 1935 prior to January 1, 1935, exceed 5 percent, and after December 31, 1934, there shall be no such reduction."

(b) Subsections (b) and (c) of section 21 of the Independent Offices Appropriation Act, 1935, are amended by striking out "the fiscal year ending June 30, 1935", wherever such phrase appears, and inserting in lieu thereof "that portion of the fiscal year ending June 30, 1935, prior to January 1, 1935."

(c) Nothing in this resolution shall be construed as permitting any reduction in rates of compensation in effect at the time of the passage of this resolution.

Mr. BYRNES. Mr. President, I do not desire to make a point of order against the amendment. I ask the Senator from Nevada if he would not agree to modify his amendment fixing the date for the restoration of pay at the beginning of the next quarter, April 1, instead of the retroactive date of January 1?

I know the Senator prefers the date of January 1, but it would involve administrative difficulties, the preparation of pay rolls, and the sending of checks to men no longer in the Government service, the calculation of the 5 percent on the amount of compensation of day laborers throughout the country, and similar difficulties. It is exceedingly difficult to comply with the retroactive feature. If the Senator could agree to modify his amendment, I certainly should be glad to give it my support; and I am satisfied it will find greater support in the Senate if it were modified in that regard.

Mr. McCARRAN. In reply to the learned Senator from South Carolina, I desire to say that it has been my desire all the time to make to the toiling masses of the country a full restoration of their pay. I believe the conditions prevailing in the country today warrant full restoration of pay. I believe the call which has been made, and legitimately made, by the administration upon private concerns and private industry for an increase of pay warrants an increase of pay to Federal employees.

Nevertheless, I am never so content with my position, however secure I might feel myself, that I would not yield to a fair, legitimate, honest compromise. The suggestion made by the learned Senator from South Carolina whereby the great mass of Federal employees will be restored to their full pay on April 1 is entirely acceptable to me. I am willing to accept the modification suggested by him.

Mr. BYRNES. Mr. President, will the Senator from Nevada yield further?

Mr. McCARRAN. Certainly.

Mr. BYRNES. Would the Senator further accept an amendment to make certain that which I know will meet his approval, that the language of subsection (a) does not restore to those officials of the Government who receive more than \$10,000 per year the amount of money in excess of \$10,000?

In order to make that clear, by virtue of the Treasury-Post Office Department Appropriation Act of 1933 a limitation of \$10,000 was placed upon the salary of any official in the Government, with the exception of Members of the Supreme Court and members of the Cabinet and, as I recall, the Director of the Veterans' Administration. The language of the amendment as drawn would, I am afraid, restore such salaries in excess of \$10,000. If that language were eliminated, then the amendment of the Senator would simply pro-

vide for restoration of the 5 percent to every employee of the Government upon whom it was imposed. If that be the purpose, I ask the Senator to agree to the amendment to the amendment which I send to the desk.

Mr. McCARRAN. I understand the purpose of the amendment offered by the Senator from South Carolina to my amendment, and I am entirely content to accept it so far as I may.

The PRESIDING OFFICER. The amendment offered by the Senator from South Carolina to the amendment of the Senator from Nevada will be stated.

The CHIEF CLERK. It is proposed, in the amendment of the Senator from Nevada, on page 2, in line 1, to strike out "January" and insert "April"; in line 2, to strike out "December 31, 1934," and insert "March 31, 1935"; in line 8, to strike out "January" and insert "April"; and after the numerals "1935" in line 8, to insert:

Except that this amendatory provision shall not apply to section 107 (a) (1), (2), (3), and (4) of part II of the Legislative Appropriation Act, fiscal year 1933 (relating to certain special salary reductions).

So as to make the amendment read:

At the end of the bill to insert:

"COMPENSATION OF GOVERNMENT OFFICERS AND EMPLOYEES"

"SEC. 2. (a) Section 3 (b) of title II of the act entitled 'An act to maintain the credit of the United States Government', approved March 20, 1933, as amended, is amended by striking out 'shall not exceed 5 percent during the fiscal year ending June 30, 1935,' and inserting in lieu thereof 'shall not, during the portion of the fiscal year 1935 prior to April 1, 1935, exceed 5 percent, and after March 31, 1935, there shall be no such reduction.'

"(b) Subsections (b) and (c) of section 21 of the Independent Offices Appropriation Act, 1935, are amended by striking out 'the fiscal year ending June 30, 1935,' wherever such phrase appears and inserting in lieu thereof 'that portion of the fiscal year ending June 30, 1935, prior to April 1, 1935; except that this amendatory provision shall not apply to section 107 (a) (1), (2), (3), and (4) of part II of the Legislative Appropriation Act, fiscal year 1933 (relating to certain special salary reductions).'

"(c) Nothing in this resolution shall be construed as permitting any reduction in rates of compensation in effect at the time of the passage of this resolution."

The PRESIDING OFFICER. The question is on the amendment of the Senator from South Carolina to the amendment of the Senator from Nevada.

The amendment to the amendment was agreed to.

Mr. BYRNES. Mr. President, may I ask the Senator from Nevada if he included in his amendment a provision for the necessary appropriation?

Mr. McCARRAN. I did not.

Mr. BYRNES. By reason of the adoption of the amendment of the Senator from Nevada it is necessary to provide the funds to effectuate its purpose. To provide those funds I send to the desk the following amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 5, after the amendment heretofore agreed to, insert:

(d) There is hereby appropriated so much as may be necessary for the payment of sums due, and payable out of the Treasury of the United States, by reason of the discontinuance of the reduction of compensation provided for in this resolution; and limitations on amounts for personal services are hereby respectively increased in proportion to the increase in appropriations for personal services made in this subsection. In the case of officers and employees of the municipal government of the District of Columbia, such sums shall be paid out of the revenues of the District of Columbia and the Treasury of the United States in the manner prescribed by the District of Columbia Appropriation Act for the fiscal year 1935.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina.

The amendment was agreed to.

The PRESIDING OFFICER. The joint resolution is before the Senate and open to further amendment. If there be no further amendment, the question is, Shall the amendments be engrossed and the joint resolution be read a third time?

The amendments were ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

The title was amended so as to read: "Joint resolution making additional appropriations for the Federal Communications Commission, the National Mediation Board, and the Securities and Exchange Commission for the fiscal year ending June 30, 1935, and for other purposes."

EXECUTIVE SESSION—THE WORLD COURT

Mr. ROBINSON. I move that the Senate resume the consideration of executive business.

The motion was agreed to; and the Senate resumed the consideration of Executive A (71st Cong., 3d sess.), protocols concerning adherence of the United States to the Permanent Court of International Justice.

RECESS

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 3 o'clock and 27 minutes p. m.) the Senate, in executive session, took a recess until tomorrow, Tuesday, January 29, 1935, at 12 o'clock meridian.

NOMINATIONS

*Executive nominations received by the Senate Monday, January 28 (legislative day of Monday, Jan. 21), 1935*

PROMOTION IN THE FOREIGN SERVICE OF THE UNITED STATES

TO BE SECRETARY IN THE DIPLOMATIC SERVICE

Franklin B. Atwood, of Massachusetts, now a Foreign Service officer of class 8 and a consul, to be also a secretary in the Diplomatic Service of the United States of America.

UNITED STATES MARSHAL

Jesse Jacobs, of New York, to be United States marshal, northern district of New York, to succeed William N. Cromie, resigned.

PROMOTIONS IN THE PUBLIC HEALTH SERVICE

TO BE SENIOR SURGEON

Surg. Louis L. Williams, Jr., to be senior surgeon in the United States Public Health Service, to rank as such from April 8, 1935.

TO BE SURGEON

Passed Asst. Surg. Lucius F. Badger to be surgeon in the United States Public Health Service, to rank as such from March 26, 1935.

PROMOTIONS IN THE COAST GUARD OF THE UNITED STATES

TO BE COMMANDERS

Lt. Comdr. Robert Donohue, to rank from October 1, 1934.  
Lt. Comdr. Earl G. Rose, to rank from October 1, 1934.  
Lt. Comdr. Loyd V. Kielhorn, to rank from October 1, 1934.  
Lt. Comdr. Edward H. Smith, to rank from October 1, 1934.

TO BE LIEUTENANT COMMANDER

Lt. Robert H. Furey, to rank from October 1, 1934.

TO BE DISTRICT COMMANDER WITH RANK OF LIEUTENANT COMMANDER

Dist. Comdr. Oswald A. Littlefield, to rank from October 24, 1934.

APPOINTMENTS BY TRANSFER IN THE REGULAR ARMY OF THE UNITED STATES

TO SIGNAL CORPS

First Lt. William Wesson Jervy, Cavalry (detailed in Signal Corps), with rank from August 21, 1923, effective June 1, 1935.

TO COAST ARTILLERY CORPS

Lt. Col. Rufus Foote Maddux, Chemical Warfare Service, with rank from February 1, 1933.

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

TO BE COLONEL

Lt. Col. Resolve Potter Palmer, Adjutant General's Department, from January 21, 1935.

TO BE LIEUTENANT COLONEL

Maj. Frederick Elwood Uhl, Infantry, from January 21, 1935.

## POSTMASTERS

## ALABAMA

James D. McEachern to be postmaster at Brundidge, Ala., in place of V. B. Huff, resigned.

Levie C. Sirmon to be postmaster at Dozier, Ala., in place of L. L. Mallette, removed.

Willie W. Whittaker to be postmaster at Flomaton, Ala., in place of A. L. Boutwell, resigned.

## ARKANSAS

Will W. Coffman to be postmaster at Harrison, Ark., in place of J. L. Russell. Incumbent's commission expired May 2, 1934.

Jordan B. Lambert to be postmaster at Holly Grove, Ark., in place of H. L. Kelley. Incumbent's commission expired December 18, 1934.

## CALIFORNIA

Robert L. Windsor to be postmaster at Bellflower, Calif., in place of H. A. Canfield, removed.

Franklin M. Whiting to be postmaster at Berkeley, Calif., in place of C. D. Heywood. Incumbent's commission expired February 5, 1933.

Ralph N. Swanson to be postmaster at Hollydale, Calif., in place of F. A. S. Robeson. Incumbent's commission expired September 30, 1933.

Hazel G. Woodson to be postmaster at Hondo, Calif., in place of W. R. Harriman, resigned.

Solomon H. W. C. Geer to be postmaster at Live Oak, Calif., in place of W. B. Barber, removed.

Hazel B. Stites to be postmaster at Maxwell, Calif., in place of C. E. Wells. Incumbent's commission expired June 24, 1934.

Charles L. Hollar to be postmaster at Maywood, Calif. Office established.

Asa E. Bishop to be postmaster at Mendocino, Calif., in place of A. E. Bishop. Incumbent's commission expired March 2, 1933.

Harold B. Byron to be postmaster at Pasadena, Calif., in place of W. F. Knight. Incumbent's commission expired April 16, 1934.

Frances M. C. Enos to be postmaster at Pescadero, Calif., in place of G. C. Gianola. Incumbent's commission expired February 10, 1934.

Florence E. Cornelius to be postmaster at Piru, Calif., in place of F. E. Cornelius. Incumbent's commission expired December 18, 1934.

Leigh H. Dunning to be postmaster at Santa Paula, Calif., in place of Clarence Beckley, resigned.

James E. Pharr to be postmaster at Scotia, Calif., in place of J. E. Pharr. Incumbent's commission expired December 16, 1934.

Rosa A. Printz to be postmaster at Simi, Calif., in place of R. A. Printz. Incumbent's commission expired December 16, 1934.

Eugene S. Francioni to be postmaster at Soledad, Calif., in place of E. S. Francioni. Incumbent's commission expired May 29, 1934.

Charles B. Pearson to be postmaster at Stockton, Calif., in place of E. R. Hawley, transferred.

Susan M. Sigler to be postmaster at Universal City, Calif., in place of S. M. Sigler. Incumbent's commission expired February 6, 1934.

Cynthia P. Griffith to be postmaster at Wheatland, Calif., in place of C. P. Griffith. Incumbent's commission expired June 4, 1934.

## CONNECTICUT

Walter B. Johnson to be postmaster at Seymour, Conn., in place of W. S. Tift, transferred.

## FLORIDA

Helen B. Giessen to be postmaster at Orange Park, Fla., in place of Pauline Wylie. Incumbent's commission expired January 4, 1932.

A. J. Victor Johnson to be postmaster at Pierson, Fla., in place of J. D. Peterson. Incumbent's commission expired April 8, 1934.

Mildred Hanks to be postmaster at Port Tampa City, Fla., in place of M. M. Folsom. Incumbent's commission expired May 7, 1934.

## GEORGIA

Robert E. Wilson to be postmaster at Homerville, Ga., in place of J. O. Rodgers, removed.

## IDAHO

Louella R. Hollenbeck to be postmaster at Fruitland, Idaho, in place of L. S. Enberg. Incumbent's commission expired March 22, 1934.

Mack H. Shotwell to be postmaster at Gooding, Idaho, in place of F. G. Hill. Incumbent's commission expired December 18, 1932.

## ILLINOIS

Jay R. Cooper to be postmaster at Chapin, Ill., in place of W. S. Brownlow, resigned.

Edward G. Mochel to be postmaster at Clarendon Hills, Ill., in place of E. G. Mochel. Incumbent's commission expired June 24, 1934.

John J. Welch to be postmaster at Deerfield, Ill., in place of F. H. Meyer. Incumbent's commission expired May 13, 1934.

Ferd H. Gibler to be postmaster at Freeport, Ill., in place of C. W. Meier, retired.

H. Earl Ballein to be postmaster at Hanover, Ill., in place of M. S. Williams. Incumbent's commission expired June 24, 1934.

Francis L. Wright to be postmaster at Henry, Ill., in place of A. P. Brown. Incumbent's commission expired January 10, 1932.

Charles W. Rimsnider to be postmaster at Hinckley, Ill., in place of L. K. Valentine. Incumbent's commission expired December 18, 1933.

Florence E. Kelley to be postmaster at Iuka, Ill., in place of W. L. Bauman. Incumbent's commission expired May 29, 1934.

J. Walter Lowrey to be postmaster at Joliet, Ill., in place of W. R. Fletcher. Incumbent's commission expired April 30, 1932.

Patrick H. McKeone to be postmaster at Lacon, Ill., in place of R. A. Blackmon. Incumbent's commission expired April 28, 1934.

Raymond A. Kennedy to be postmaster at Libertyville, Ill., in place of E. E. Ellsworth. Incumbent's commission expired January 28, 1934.

James D. Larry, Sr., to be postmaster at Melrose Park, Ill., in place of L. W. Richter. Incumbent's commission expired December 20, 1932.

Otto F. Giehl to be postmaster at Metamora, Ill., in place of L. A. Willman. Incumbent's commission expired October 31, 1933.

Paul H. Ryan to be postmaster at New Holland, Ill., in place of J. W. Sheary. Incumbent's commission expired April 2, 1934.

Garnett M. Farthing to be postmaster at Odin, Ill., in place of W. J. West, removed.

L. Maude McBride to be postmaster at Pawpaw, Ill., in place of E. F. Guffin. Incumbent's commission expired April 2, 1934.

Ernest Swanson to be postmaster at Paxton, Ill., in place of W. R. Watts, resigned.

Margaret Bradbury to be postmaster at Perry, Ill., in place of R. L. Witham, removed.

Marguerite D. Long to be postmaster at Princeville, Ill., in place of W. M. Hoag. Incumbent's commission expired December 18, 1933.

Jacob Sand to be postmaster at Roanoke, Ill., in place of R. A. Full. Incumbent's commission expired May 29, 1934.

Lester L. Boyle to be postmaster at Roberts, Ill., in place of O. B. Sanders. Incumbent's commission expired January 16, 1934.

Lawrence P. Luby to be postmaster at Rockford, Ill., in place of A. L. Johnson. Incumbent's commission expired April 2, 1934.

Joseph E. Pruett to be postmaster at St. Elmo, Ill., in place of F. E. Mattix. Incumbent's commission expired May 29, 1934.

West M. Rourke to be postmaster at Springfield, Ill., in place of A. L. Pickel, retired.

William E. Hollerich to be postmaster at Spring Valley, Ill., in place of A. L. Faletti. Incumbent's commission expired May 7, 1934.

Joseph J. Morrissey to be postmaster at Utica, Ill., in place of C. C. Cary, removed.

## INDIANA

Iliff W. Lewis to be postmaster at Fairmount, Ind., in place of L. H. Ribble, removed.

Ralph F. Yeoman to be postmaster at Hanna, Ind., in place of O. J. Gibson. Incumbent's commission expired December 13, 1932.

Thomas W. Hall to be postmaster at Medora, Ind., in place of Logan Motsinger, removed.

George F. Coyle to be postmaster at Tell City, Ind., in place of Lee Herr, removed.

## IOWA

Mollie J. E. Kachelhoffer to be postmaster at Ackley, Iowa, in place of F. B. Moreland, removed.

Anna Reardon to be postmaster at Auburn, Iowa, in place of Anna Reardon. Incumbent's commission expired January 22, 1935.

Mary McCoy Wilson to be postmaster at Colo, Iowa, in place of G. A. Hall. Incumbent's commission expired May 16, 1934.

Ralph A. Kelley to be postmaster at Early, Iowa, in place of L. J. Garrett, resigned.

Eva L. Ochs to be postmaster at Garwin, Iowa, in place of F. E. Morrison. Incumbent's commission expired December 13, 1932.

Amanda J. Belt to be postmaster at Glenwood, Iowa, in place of R. W. Rhoades, transferred.

Mary G. Harker to be postmaster at Grand Junction, Iowa, in place of E. M. Henery. Incumbent's commission expired January 31, 1934.

William Stover to be postmaster at Hospers, Iowa, in place of Marinus Jansma, deceased.

James B. Gilroy to be postmaster at Lost Nation, Iowa, in place of C. J. Rutenbeck. Incumbent's commission expired May 20, 1934.

Patrick H. English to be postmaster at Monona, Iowa, in place of H. S. Rittenhouse. Incumbent's commission expired June 24, 1934.

Gladys M. Heiland to be postmaster at Panora, Iowa, in place of E. P. Tucker. Incumbent's commission expired April 9, 1934.

Carrie M. Skromme to be postmaster at Roland, Iowa, in place of A. M. Michaelson. Incumbent's commission expired February 28, 1933.

Clara C. Lockner to be postmaster at Terril, Iowa, in place of J. H. Lewis. Incumbent's commission expired July 3, 1934.

## KANSAS

Etta Le Ford to be postmaster at Argonia, Kans., in place of Lewis Thomas, removed.

Christian Biesterfeld to be postmaster at Dorrance, Kans., in place of Mae Boyd. Incumbent's commission expired April 16, 1934.

William F. Decker to be postmaster at Newton, Kans., in place of Josiah Foltz, deceased.

Emmett E. Conzelman to be postmaster at Republic, Kans., in place of W. H. Polley. Incumbent's commission expired December 18, 1933.

## KENTUCKY

Jack Smith to be postmaster at Compton, Ky., in place of T. P. Sewell, resigned.

Maria T. Fish to be postmaster at Frankfort, Ky., in place of David Goin. Incumbent's commission expired March 8, 1934.

Christine Alexander to be postmaster at Salt Lick, Ky., in place of R. M. Wood, removed.

William J. Smith to be postmaster at Stearns, Ky., in place of Lewis Heisler, removed.

H. Harvey Denham to be postmaster at Vanceburg, Ky., in place of T. G. Thoroughman, removed.

## MAINE

Louis A. White to be postmaster at Eastport, Maine, in place of C. E. Davis, transferred.

John H. McSweeney to be postmaster at Old Orchard Beach, Maine, in place of M. E. Hill. Incumbent's commission expired January 16, 1934.

Henry J. Saucier to be postmaster at Van Buren, Maine, in place of R. L. Cyr, resigned.

Mary Freeman to be postmaster at Washburn, Maine, in place of D. L. Duncan. Incumbent's commission expired March 8, 1934.

## MARYLAND

James J. Ohler to be postmaster at Glenarm, Md., in place of T. G. Pearce, removed.

Jacob T. Hartle to be postmaster at Hagerstown, Md., in place of E. M. Tenney. Incumbent's commission expired June 4, 1934.

John T. French to be postmaster at Owings Mills, Md., in place of Charles Roemer, Jr. Incumbent's commission expired December 18, 1933.

William H. Condiff to be postmaster at Solomons, Md., in place of W. H. Condiff. Incumbent's commission expired December 20, 1934.

## MASSACHUSETTS

Henry L. Pierce to be postmaster at Barre, Mass., in place of H. L. Pierce. Incumbent's commission expired December 18, 1934.

Esther K. Whitcomb to be postmaster at Bolton, Mass., in place of E. K. Whitcomb. Incumbent's commission expired December 9, 1934.

Celia R. St. John to be postmaster at Cohasset, Mass., in place of E. E. H. Souther. Incumbent's commission expired April 28, 1934.

Merritt C. Skilton to be postmaster at East Northfield, Mass., in place of M. C. Skilton. Incumbent's commission expired January 23, 1935.

Douglas H. Knowlton to be postmaster at South Hamilton, Mass., in place of D. H. Knowlton. Incumbent's commission expired January 22, 1933.

John W. Mitchell to be postmaster at South Lancaster, Mass., in place of H. B. Sampson. Incumbent's commission expired January 11, 1934.

## MINNESOTA

N. Elmie Lewis to be postmaster at Bertha, Minn., in place of G. H. Payne. Incumbent's commission expired April 28, 1934.

Charles B. Seipp to be postmaster at Hanley Falls, Minn., in place of G. E. Ristvedt, resigned.

Florence D. Markham to be postmaster at Hopkins, Minn., in place of William Perbix, resigned.

Harry W. Simpson to be postmaster at Jasper, Minn., in place of B. O. Stime. Incumbent's commission expired February 25, 1933.

Justin I. Brown to be postmaster at Nevis, Minn., in place of W. W. Person. Incumbent's commission expired April 2, 1934.

Leo F. Groos to be postmaster at North St. Paul, Minn., in place of W. R. Gates, removed.

Harold T. Colbjørnsen to be postmaster at Parkers Prairie, Minn., in place of J. A. Fridgen. Incumbent's commission expired January 31, 1934.

## MISSISSIPPI

Malcolm E. Wilson to be postmaster at Marks, Miss., in place of M. E. Wilson. Incumbent's commission expired June 19, 1933.

Henry W. Mangum to be postmaster at Mendenhall, Miss., in place of Z. L. Gibson. Incumbent's commission expired December 19, 1933.

Singleton C. Tanner to be postmaster at Mize, Miss., in place of J. D. Glisson. Incumbent's commission expired July 1, 1934.

Olive Alexander to be postmaster at Rolling Fork, Miss., in place of M. O. Sharbrough, deceased.

## MISSOURI

Fred R. Morrow to be postmaster at Buffalo, Mo., in place of P. H. Hawkins. Incumbent's commission expired June 20, 1934.

George K. Spalding to be postmaster at Chesterfield, Mo., in place of Edward Burkhardt. Incumbent's commission expired December 18, 1933.

Orion J. L. Brookhart to be postmaster at Harrisonville, Mo., in place of Joseph Volle. Incumbent's commission expired June 2, 1934.

Clarence C. Wilkins to be postmaster at Hornersville, Mo., in place of G. S. Brown. Incumbent's commission expired March 18, 1934.

Jesse M. Hawkins to be postmaster at Ironton, Mo., in place of J. C. Forshee, removed.

John E. Craig to be postmaster at Mansfield, Mo., in place of M. E. Gorman. Incumbent's commission expired May 23, 1933.

Fred J. Jacobi, Jr., to be postmaster at Martinsburg, Mo., in place of D. L. Blanchfield. Incumbent's commission expired March 8, 1934.

William Arthur Girdner to be postmaster at Mercer, Mo., in place of J. H. Somerville. Incumbent's commission expired April 8, 1934.

Herbert L. Wells to be postmaster at Republic, Mo., in place of J. D. A. Hood, Jr. Incumbent's commission expired April 8, 1934.

W. Rufus Jackson to be postmaster at St. Louis, Mo., in place of A. J. Michener, retired.

Marl L. Gamble to be postmaster at Sheldon, Mo., in place of F. R. Jones, removed.

John J. Henderson to be postmaster at Valley Park, Mo., in place of C. C. Lloyd. Incumbent's commission expired April 8, 1934.

## MONTANA

Peter Peterson to be postmaster at Fort Peck, Mont. Office became Presidential January 1, 1935.

Thomas J. Somerville, Jr., to be postmaster at Gardiner, Mont., in place of J. M. Tripp. Incumbent's commission expired March 8, 1934.

## NEBRASKA

John F. Lewis to be postmaster at Arnold, Nebr., in place of G. W. Bennett, Jr., resigned.

Irving E. Tilgner to be postmaster at Lewellen, Nebr., in place of I. E. Tilgner. Incumbent's commission expired December 9, 1934.

Louis R. Vejraska to be postmaster at Odell, Nebr., in place of Clarence Rosecrans, resigned.

Berniece B. Simmons to be postmaster at Silver Creek, Nebr., in place of Floyd Buchanan. Incumbent's commission expired May 29, 1934.

Thomas Glen Roberts to be postmaster at Sterling, Nebr., in place of Henry Pickett. Incumbent's commission expired June 20, 1934.

## NEVADA

Ernest H. Bath to be postmaster at Carson City, Nev., in place of F. E. Meder. Incumbent's commission expired December 18, 1934.

## NEW HAMPSHIRE

Harry Frank Smith to be postmaster at Center Harbor, N. H., in place of R. E. Kelley. Incumbent's commission expired April 16, 1934.

Charles E. Tanner to be postmaster at Milton, N. H., in place of S. G. Blaisdell. Incumbent's commission expired March 22, 1934.

## NEW JERSEY

John R. Snedeker to be postmaster at Atlantic Highlands, N. J., in place of David Tumen. Incumbent's commission expired January 10, 1933.

August F. Schweers to be postmaster at Little Silver, N. J., in place of C. P. Kemp, removed.

Harry Kramer to be postmaster at Metuchen, N. J., in place of A. L. Quint. Incumbent's commission expired December 18, 1933.

Frank H. Moran to be postmaster at Middlesex, N. J., in place of Lucy Lesser, removed.

Russell J. Noncarrow to be postmaster at Morristown, N. J., in place of C. W. Bodine, removed.

Patricia B. Hanlon to be postmaster at Mountain Lakes, N. J., in place of S. H. Dayton. Incumbent's commission expired April 22, 1934.

Abraham G. Nelson to be postmaster at New Market, N. J., in place of Fanny Jenner. Incumbent's commission expired December 11, 1933.

James F. Creamer to be postmaster at Parlin, N. J., in place of Samuel Locker. Incumbent's commission expired January 16, 1934.

Charles F. Haussermann to be postmaster at South River, N. J., in place of Charles Herrmann, removed.

Mary G. Appleby to be postmaster at Spotswood, N. J., in place of M. M. Hodapp. Incumbent's commission expired May 13, 1934.

Henry M. Dunham to be postmaster at Toms River, N. J., in place of W. B. Havens, removed.

## NEW MEXICO

Herman E. Kelt to be postmaster at Carrizozo, N. Mex., in place of E. A. Gumm, deceased.

Charlotte Kohlhausen to be postmaster at Cimarron, N. Mex., in place of N. M. Lodge. Incumbent's commission expired October 10, 1933.

George W. Dexter to be postmaster at Deming, N. Mex., in place of C. J. Kelly, removed.

Frank J. Wesner to be postmaster at Las Vegas, N. Mex., in place of J. H. York, deceased.

Theodore Raff to be postmaster at Los Lunas, N. Mex. Office became Presidential July 1, 1934.

Emmet J. Corn to be postmaster at Tucumcari, N. Mex., in place of R. H. Smith, removed.

Vera Clayton to be postmaster at Tularosa, N. Mex., in place of R. M. McNatt. Incumbent's commission expired March 16, 1921.

## NEW YORK

John Foye to be postmaster at Brockport, N. Y., in place of G. W. Steele, removed.

Frank W. Junior to be postmaster at Chazy, N. Y., in place of G. W. North. Incumbent's commission expired February 6, 1934.

James E. Dailey to be postmaster at Deposit, N. Y., in place of H. A. McMurray. Incumbent's commission expired May 29, 1934.

Peter J. Carpenter to be postmaster at Dobbs Ferry, N. Y., in place of W. C. King, retired.

Clarence F. Dilcher to be postmaster at Elba, N. Y., in place of C. F. Dilcher. Incumbent's commission expired May 9, 1934.

Edward F. Higgins to be postmaster at Great Neck, N. Y., in place of H. W. Smith. Incumbent's commission expired March 22, 1934.

Mary A. McGoey to be postmaster at Hartsdale, N. Y., in place of W. H. Secord. Incumbent's commission expired July 1, 1934.

Maurice F. Maloney to be postmaster at Haverstraw, N. Y., in place of E. S. Turner. Incumbent's commission expired May 29, 1934.

Glen H. Smith to be postmaster at Mexico, N. Y., in place of E. P. Taylor. Incumbent's commission expired May 9, 1934.

James J. Moroney to be postmaster at Pleasantville, N. Y., in place of F. C. Stadler. Incumbent's commission expired March 22, 1934.

George J. O'Brien to be postmaster at Sandy Creek, N. Y., in place of G. L. Hadley. Incumbent's commission expired March 22, 1934.

Frank T. More to be postmaster at Walton, N. Y., in place of E. S. St. John. Incumbent's commission expired May 16, 1934.

## NORTH CAROLINA

George Carroll Sales to be postmaster at Fletcher, N. C., in place of G. W. Lance, deceased.

Wayne A. Mitchell to be postmaster at Kinston, N. C., in place of R. B. Dunn, retired.

## NORTH DAKOTA

Ralph E. Ulrich to be postmaster at Balfour, N. Dak., in place of R. P. Semrau, resigned.

Arthur Shelton to be postmaster at Bowdon, N. Dak., in place of F. E. Wollitz, resigned.

Freda A. Sempel to be postmaster at Braddock, N. Dak., in place of Kathryn Savage, resigned.

Maude I. Burbeck to be postmaster at Cathay, N. Dak., in place of M. I. Burbeck. Incumbent's commission expired January 22, 1935.

Nels A. Anderson to be postmaster at Finley, N. Dak., in place of T. S. Overby. Incumbent's commission expired February 14, 1934.

G. Ralph Rohr to be postmaster at Gladstone, N. Dak., in place of Jacob Krier, removed.

John A. Schieb to be postmaster at Kensal, N. Dak., in place of A. J. Dunnum, resigned.

Alf A. Ringen to be postmaster at Kindred, N. Dak., in place of L. D. Larsen. Incumbent's commission expired March 18, 1934.

Anna M. Wagner to be postmaster at Lidgerwood, N. Dak., in place of F. W. Mashek, resigned.

William G. McBride to be postmaster at Milton, N. Dak., in place of M. D. Pratten. Incumbent's commission expired May 29, 1933.

M. Florence Klessig to be postmaster at Page, N. Dak., in place of N. M. Chamberlain, resigned.

William J. Gust to be postmaster at St. Thomas, N. Dak., in place of D. G. McIntosh. Incumbent's commission expired December 18, 1933.

John M. Klein to be postmaster at Strasburg, N. Dak., in place of Cornelius Rowerdink. Incumbent's commission expired May 29, 1934.

Grace C. Wheeler to be postmaster at Tower City, N. Dak., in place of H. H. Roberts. Incumbent's commission expired December 10, 1932.

William S. McCabe to be postmaster at Walhalla, N. Dak., in place of A. H. Allan. Incumbent's commission expired June 13, 1933.

George G. Harvey to be postmaster at Williston, N. Dak., in place of A. G. C. Strom, removed.

Clarence O. Uggem to be postmaster at Woodworth, N. Dak., in place of W. H. Wright. Incumbent's commission expired December 16, 1933.

Bernhard Ottis to be postmaster at Wyndmere, N. Dak., in place of Arnold Lien. Incumbent's commission expired December 19, 1931.

## OHIO

Beulah G. Roshon to be postmaster at Baltimore, Ohio, in place of F. W. Helmick. Incumbent's commission expired May 16, 1934.

Florent G. Orr to be postmaster at Basil, Ohio, in place of H. M. Shook. Incumbent's commission expired April 16, 1934.

Mollie M. Morrow to be postmaster at Bergholz, Ohio, in place of H. A. Carson. Incumbent's commission expired May 2, 1934.

Elden E. Schott to be postmaster at Brewster, Ohio, in place of J. H. C. Goodhart, deceased.

Charles A. McCrate to be postmaster at Columbus Grove, Ohio, in place of A. G. Bogart. Incumbent's commission expired March 8, 1934.

Elmer E. Eller to be postmaster at Cuyahoga Falls, Ohio, in place of A. A. Billman. Incumbent's commission expired June 19, 1933.

Lloyd K. Heckman to be postmaster at Ellet, Ohio, in place of P. J. Knight. Incumbent's commission expired May 16, 1934.

Christ M. Rose to be postmaster at Fort Jennings, Ohio, in place of E. M. Cumming. Incumbent's commission expired December 16, 1933.

Paul E. Ruppert to be postmaster at Franklin, Ohio, in place of J. R. Miller. Incumbent's commission expired April 15, 1934.

Arthur C. Battershell to be postmaster at Hicksville, Ohio, in place of F. M. Birdsall. Incumbent's commission expired May 29, 1934.

Frederick B. Mowery to be postmaster at Kingston, Ohio, in place of A. F. Hosler, resigned.

Ernest A. Rowland to be postmaster at Lodi, Ohio, in place of S. M. Brogan. Incumbent's commission expired December 16, 1933.

C. Wood Bowen to be postmaster at Logan, Ohio, in place of A. E. Huls, deceased.

Neal D. Roshon to be postmaster at Medina, Ohio, in place of W. E. Gates, transferred.

Carl V. Beebe to be postmaster at Mount Gilead, Ohio, in place of H. E. Griffith, resigned.

Iva A. Falls to be postmaster at Shawnee, Ohio, in place of R. D. Weedy, resigned.

Hattie D. Hufford to be postmaster at West Mansfield, Ohio, in place of M. H. Bell. Incumbent's commission expired May 16, 1934.

## OKLAHOMA

Rosa B. Britton to be postmaster at Cyril, Okla., in place of R. B. Britton. Incumbent's commission expired January 28, 1934.

Edwin B. Minich to be postmaster at Eldorado, Okla., in place of E. B. Minich. Incumbent's commission expired December 18, 1934.

Frank S. DeWolfe to be postmaster at Guymon, Okla., in place of B. F. Rarick. Incumbent's commission expired December 14, 1932.

Arthur A. Westbrook to be postmaster at Idabel, Okla., in place of J. M. Tyler. Incumbent's commission expired April 28, 1934.

R. Waldo Wettengel to be postmaster at Rush Springs, Okla., in place of J. L. Coyle. Incumbent's commission expired April 28, 1934.

Nell M. Dilks to be postmaster at Temple, Okla., in place of E. G. Etzold, resigned.

## OREGON

Ralph B. Stanfield to be postmaster at Echo, Oreg., in place of R. C. Hale, resigned.

Benjamin H. Davies to be postmaster at Gresham, Oreg., in place of E. E. Johnson, removed.

Charles B. Cox to be postmaster at Heppner, Oreg., in place of W. W. Smead. Incumbent's commission expired June 17, 1934.

Frank DeSouza to be postmaster at Medford, Oreg., in place of W. J. Warner, retired.

Mabel Cummings to be postmaster at Philomath, Oreg., in place of G. W. Cummings. Incumbent's commission expired June 17, 1934.

E. Lee Chenault to be postmaster at Union, Oreg., in place of T. D. Smith, resigned.

William Gregory to be postmaster at Westport, Oreg., in place of A. W. Hodgman. Incumbent's commission expired December 8, 1932.

## PENNSYLVANIA

Joseph W. Manon to be postmaster at Charleroi, Pa., in place of S. D. R. Hill. Incumbent's commission expired May 2, 1934.

Henry Bourns to be postmaster at Ellsworth, Pa., in place of Henry Bourns. Incumbent's commission expired January 28, 1935.

Claude O. Meckley to be postmaster at Hanover, Pa., in place of A. S. Hollinger. Incumbent's commission expired May 29, 1934.

Marie Bengale to be postmaster at Loretto, Pa., in place of Tillie Bradley, resigned.

Frank B. Kunselman to be postmaster at Meadville, Pa., in place of G. A. Speakman. Incumbent's commission expired January 16, 1934.

George A. Lehman to be postmaster at Patton, Pa., in place of Thomas Powell, removed.

W. Norman Freed to be postmaster at Richlandtown, Pa. Office became Presidential July 1, 1934.

James V. Brush to be postmaster at Sewickley, Pa., in place of T. E. Sweeney, resigned.

Roy L. Stover to be postmaster at Shrewsbury, Pa., in place of G. F. Klinefelter. Incumbent's commission expired May 13, 1934.

John J. Verbos to be postmaster at Steelton, Pa., in place of Mark Mumma, removed.

John M. Braden to be postmaster at Washington, Pa., in place of T. J. Langfitt, transferred.

#### PUERTO RICO

Alfredo F. Irizarry to be postmaster at Cabo Rojo, P. R., in place of A. F. Irizarry. Incumbent's commission expired December 18, 1934.

Julio Ramos to be postmaster at Cayey, P. R., in place of Julio Ramos. Incumbent's commission expired December 18, 1934.

Francisco R. Fernandez to be postmaster at Guayama, P. R., in place of C. D. Vargas. Incumbent's commission expired May 23, 1933.

Jose Carrera to be postmaster at Humacao, P. R., in place of Jose Carrera. Incumbent's commission expired December 18, 1934.

Eduvigis de la Rosa to be postmaster at Isabela, P. R., in place of Eduvigis de la Rosa. Incumbent's commission expired December 18, 1934.

Pedro Muniz Rivera to be postmaster at Manati, P. R., in place of Pedro Muniz Rivera. Incumbent's commission expired December 18, 1934.

Antonio Godinez to be postmaster at Rio Piedras, P. R., in place of Antonio Godinez. Incumbent's commission expired December 18, 1934.

Felipe B. Cruz to be postmaster at Visques, P. R., in place of F. B. Cruz. Incumbent's commission expired December 7, 1932.

#### RHODE ISLAND

Joseph E. Murray to be postmaster at Ashaway, R. I., in place of L. B. Langworthy. Incumbent's commission expired April 22, 1934.

Andrew J. McKeon to be postmaster at Hillsgrove, R. I., in place of J. C. Sheldon, deceased.

William F. Harkins to be postmaster at West Barrington, R. I., in place of L. S. A. Cook. Incumbent's commission expired December 19, 1933.

#### SOUTH CAROLINA

Glen O. Howe to be postmaster at Great Falls, S. C., in place of M. C. Stroud. Incumbent's commission expired April 30, 1934.

Martin H. Moore to be postmaster at La France, S. C., Office became Presidential July 1, 1932.

Josephus S. Nichols to be postmaster at Leesville, S. C., in place of J. H. Bodie. Incumbent's commission expired January 16, 1932.

Eva H. Groce to be postmaster at Lyman, S. C., in place of E. H. Groce. Incumbent's commission expired December 20, 1934.

J. Sidney McNeill to be postmaster at Ninety Six, S. C., in place of J. E. D. Tolbert. Incumbent's commission expired February 14, 1931.

Crayton C. Crenshaw to be postmaster at Pendleton, S. C., in place of C. C. Crenshaw. Incumbent's commission expired December 20, 1934.

#### SOUTH DAKOTA

Nicholas DeBilzan to be postmaster at Andover, S. Dak., in place of W. B. Poe, removed.

Fred C. Wetterberg to be postmaster at Arlington, S. Dak., in place of C. T. Chester. Incumbent's commission expired December 16, 1933.

Milton W. Butts to be postmaster at Belle Fourche, S. Dak., in place of S. G. Mortimer. Incumbent's commission expired June 16, 1934.

Ernest A. Schlup to be postmaster at Hudson, S. Dak., in place of H. H. Cable. Incumbent's commission expired March 22, 1934.

Charles R. Dean to be postmaster at Rockham, S. Dak., in place of H. M. Bardon, deceased.

Mary V. Breene to be postmaster at Seneca, S. Dak., in place of M. V. Breene. Incumbent's commission expired June 26, 1934.

#### TENNESSEE

Rebecca Jennings to be postmaster at Alamo, Tenn., in place of R. J. Tatum. Incumbent's commission expired April 3, 1934.

LaVerne Gearhiser to be postmaster at Big Sandy, Tenn., in place of J. G. McKenzie. Incumbent's commission expired May 2, 1934.

Mary E. Birdwell to be postmaster at Chuckey, Tenn., in place of C. L. Bitner. Incumbent's commission expired April 22, 1934.

Fred C. Lindsay to be postmaster at Greeneville, Tenn., in place of C. H. Bewley, removed.

Shelbin C. Malone to be postmaster at Henderson, Tenn., in place of C. L. Parrish. Incumbent's commission expired May 29, 1934.

Howard Long to be postmaster at Kingsport, Tenn., in place of J. E. Miller. Incumbent's commission expired February 6, 1934.

Bedford T. Transou to be postmaster at Mason, Tenn., in place of B. G. Taylor, removed.

Charles P. Fults to be postmaster at Monteagle, Tenn., in place of H. L. Lappin. Incumbent's commission expired April 9, 1934.

Eugene L. McDade to be postmaster at Mountain City, Tenn., in place of H. M. Miller. Incumbent's commission expired February 28, 1933.

#### TEXAS

John E. Morris to be postmaster at Borger, Tex., in place of F. G. Bowers, resigned.

Alfred H. Clark to be postmaster at Bremond, Tex., in place of Jacob Bennett. Incumbent's commission expired May 2, 1934.

James A. Hilburn to be postmaster at Childress, Tex., in place of McDougal Bybee, removed.

Alvin L. Clements to be postmaster at Copperas Cove, Tex., in place of J. M. Brooks. Incumbent's commission expired May 2, 1934.

Walter E. Holloway to be postmaster at Detroit, Tex., in place of W. E. Holloway. Incumbent's commission expired December 20, 1934.

William W. Sloan to be postmaster at Falfurrias, Tex., in place of W. W. Sloan. Incumbent's commission expired May 9, 1934.

William D. Reed to be postmaster at Holland, Tex., in place of C. B. Starke. Incumbent's commission expired January 16, 1934.

James S. Griffith to be postmaster at Houston, Tex., in place of R. B. Nichols. Incumbent's commission expired May 29, 1934.

George F. Sheppard to be postmaster at Italy, Tex., in place of J. W. Johnson. Incumbent's commission expired April 15, 1934.

Eldon C. Wade to be postmaster at Jayton, Tex., in place of George Rice, deceased.

Lois H. Knox to be postmaster at Justin, Tex., in place of J. F. Range. Incumbent's commission expired April 15, 1934.

Ray H. Griffin to be postmaster at Kosse, Tex., in place of A. L. Jennings, resigned.

William B. Collins to be postmaster at Llano, Tex., in place of E. W. Tarrence. Incumbent's commission expired June 20, 1934.

Louis E. Phillips to be postmaster at Lott, Tex., in place of O. R. Porterfield. Incumbent's commission expired April 3, 1934.

Ben C. McElroy to be postmaster at Marshall, Tex., in place of H. O. Wilson. Incumbent's commission expired December 8, 1932.

Joe December to be postmaster at Orange Grove, Tex., in place of Lydia Teller, resigned.

Marcus E. Jud to be postmaster at Riesel, Tex., in place of C. L. Wiebusch. Incumbent's commission expired March 18, 1934.

Alejo C. Garcia to be postmaster at San Diego, Tex., in place of E. R. Gallagher. Incumbent's commission expired January 16, 1934.

Edward A. Beckman to be postmaster at Sealy, Tex., in place of W. J. Kveton, deceased.

William F. Sellers to be postmaster at Walnut Springs, Tex., in place of M. P. Grieve. Incumbent's commission expired December 20, 1934.

#### UTAH

Nello Christoffersen to be postmaster at Brigham, Utah, in place of W. L. Holst, removed.

James L. Willardsen to be postmaster at Ephraim, Utah, in place of A. W. Thomson. Incumbent's commission expired December 16, 1933.

N. Stanley Brady to be postmaster at Fairview, Utah, in place of L. L. Peterson, resigned.

Richard B. Porter to be postmaster at Ogden, Utah, in place of R. A. Garner, retired.

Ralph H. Jacobshagen to be postmaster at Helper, Utah, in place of H. B. Simonsen, removed.

Cantril Nielsen to be postmaster at Hyrum, Utah, in place of J. A. Israelsen, resigned.

John C. Root to be postmaster at Milford, Utah, in place of C. T. Martin, removed.

Gerald Cazier to be postmaster at Nephi, Utah, in place of J. E. Lunt. Incumbent's commission expired January 8, 1933.

Carl W. Empey to be postmaster at Price, Utah, in place of J. F. MacKnight. Incumbent's commission expired January 31, 1934.

#### VIRGINIA

Mary Ann Nichols to be postmaster at Hamilton, Va., in place of R. E. Orrison, removed.

Troy J. Weeks to be postmaster at Willis, Va., in place of J. L. Earles. Incumbent's commission expired May 20, 1934.

#### WASHINGTON

Daniel B. McGovern to be postmaster at Renton, Wash., in place of Thomas Harries, resigned.

William T. Davis to be postmaster at Toppenish, Wash., in place of W. F. Cantrell, resigned.

#### WEST VIRGINIA

Effie L. Hedrick to be postmaster at Mabscott, W. Va., in place of M. E. Hill, resigned.

#### WISCONSIN

Thomas J. Weiler to be postmaster at Auburndale, Wis., in place of G. E. Grob. Incumbent's commission expired May 7, 1934.

Selmer M. Alvey to be postmaster at Bruce, Wis., in place of C. V. Walker. Incumbent's commission expired June 4, 1934.

John Agnew to be postmaster at Cadott, Wis., in place of Ilma Dugal. Incumbent's commission expired April 2, 1934.

Florence Kuehl to be postmaster at Genesee Depot, Wis., in place of B. E. Miller. Incumbent's commission expired July 3, 1934.

Paul Bernhagen to be postmaster at Junction City, Wis., in place of P. O. Virum. Incumbent's commission expired June 2, 1934.

Harry A. Victora to be postmaster at Middleton, Wis., in place of L. G. Clark, deceased.

Joseph W. Hanley to be postmaster at Roberts, Wis., in place of A. E. Hafer. Incumbent's commission expired May 2, 1934.

Leo E. Doll to be postmaster at Soldiers Grove, Wis., in place of D. C. McDowell. Incumbent's commission expired June 17, 1934.

Tillie E. Brennan to be postmaster at Valders, Wis., in place of G. K. Berge. Incumbent's commission expired March 22, 1934.

Joseph N. Thiele to be postmaster at Whitewater, Wis., in place of E. F. Sweeney, deceased.

Arthur N. Donnellan to be postmaster at Winter, Wis., in place of T. E. Noyes. Incumbent's commission expired May 2, 1934.

#### CONFIRMATIONS

*Executive nominations confirmed by the Senate January 28 (legislative day of Jan. 21), 1935*

#### MEMBERS OF THE FEDERAL TRADE COMMISSION

W. A. Ayres to be a member of the Federal Trade Commission.

Garland S. Ferguson, Jr., to be a member of the Federal Trade Commission.

#### MEMBERS OF THE NATIONAL MEDIATION BOARD

John Carmody to be a member of the National Mediation Board.

John Carmody to be a member of the National Mediation Board. (Reappointment.)

James W. Carmalt to be a member of the National Mediation Board.

William M. Leiserson to be a member of the National Mediation Board.

#### MEMBERS OF THE RAILROAD RETIREMENT BOARD

Lee M. Eddy to be a member of the Railroad Retirement Board.

Murray Latimer (chairman) to be a member of the Railroad Retirement Board.

John T. Williamson to be a member of the Railroad Retirement Board.

#### UNITED STATES MARSHAL

Alex Smith to be United States marshal, northern district of Alabama.

#### POSTMASTERS

##### NEW JERSEY

John Russell, Barnegat.  
Benjamin F. Butler, Bayville.  
John M. Timcoe, Bradley Beach.  
John B. Johnson, Freehold.  
John L. Cagni, Lavallette.  
Lucy M. Buckbee, Manahawkin.  
Whilmena A. Harvey, Oakhurst.  
Walter I. Gaul, Oceanport.  
Luella Brown, Old Bridge.

##### NEW YORK

Nicholas J. O'Prey, Buchanan.  
William J. Porr, Cochection.  
Fred A. Wagner, Delevan.  
Bert W. Wood, Dexter.  
William L. Koch, Dunkirk.  
Frank M. Rouis, Eastview.  
Louise P. Danner, East White Plains.  
Flora M. Matty, Evans Mills.  
William G. Mollitor, Hicksville.  
John W. Beggs, Jefferson.  
Marion E. Moran, Jeffersonville.  
Catherine E. Pratt, Mooers.  
Edward I. Glickman, South Fallsburg.

##### OHIO

Clarence T. Zwickel, Bremen.

##### SOUTH DAKOTA

Rolland L. Marlett, Ashton.  
Edith A. Sproat, Bradley.  
Perry W. Waltz, Brookings.  
Edward E. Colgan, Edgemont.  
Ruel E. Dana, Hartford.  
Mattie W. Funk, McIntosh.  
Aaron N. Kautz, Menno.  
Inez M. Bruner, Sanator.  
Charles F. Barg, White.

##### WEST VIRGINIA

Arthur G. Martin, Fairmont.

##### WISCONSIN

William F. Schreiber, Hales Corners.

## HOUSE OF REPRESENTATIVES

MONDAY, JANUARY 28, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, conscious that there is a power in the earth which transcends the works of man, we linger here in prayer and breathe "Abba Father." By faith, hope, and love may we discern Thy presence, recognizing the invisible world, its glory and inspiration. Holy Spirit, render divinely solemn our obligations and our obedience. Keep us, blessed Lord, from the tragedy of that love that never finds an object, from that ability that never finds a sphere, and from that life that never finds a mission. We beseech Thee to save us from that blind worldliness that closes the windows of the soul and shuts its door on God. O may we make with Thee a perpetual covenant which shall never be forgotten. Ever keep alive in us aspirations that need not be ashamed. Let them never be mocked or denied. Through Christ. Amen.

The Journal of the proceedings of Friday, January 25, 1935, was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1175. An act to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3410) entitled "An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1936, and for other purposes."

## AMENDMENT TO BANKHEAD BILL

Mr. WHELCHER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a copy of an amendment to the Bankhead bill which I have just filed.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WHELCHER. Mr. Speaker, under leave granted I extend my remarks in the RECORD in regard to an amendment that I am today introducing to the Bankhead bill, and also as a part of my remarks I extend in the RECORD, a copy of the amendment so introduced.

In the outset let me say that I have given this bill a great deal of thought because it so vitally affects that portion of Georgia that I represent, the ninth district, and it is only now that I have satisfied my mind that there is a solution that will correct the greatest evil emanating from the control of cotton production.

I regard the outstanding feature of this H. R. 4882 to be that portion giving to the small farmer raising cotton an exemption or freedom from tax, sufficient to at least help him in defraying his expenses for fertilizer and actual necessities of life for himself and family, this to be in keeping with the number of his dependents. It is not the small farmer or producer that is causing an overproduction of cotton, and this amendment will in no way vitiate the effect of the Bankhead bill. I have personal knowledge of several instances in my district where the allotment was so inadequate that it really caused want and suffering, this being where the producer was poor and had a very large family. In one case in particular a man with eight children was only given 1,180 pounds of lint cotton.

This amendment will at least give relief to these small farmers in a small way, and yet the effect of the Bankhead bill will remain and serve the purpose for which it was in-

tended. If this bill is permitted to remain in its present status, it will be in the future, as it has in the past, very hurtful to these small producers.

Another feature of this amendment that would be of value to the proper handling of this measure is the selection of the committees and community committees by the local authorities of the different counties, who are acquainted with the parties at interest, and can more equitably make the allotments, they knowing the surroundings of each of the parties to be dealt with.

The last portion of the amendment provides for adequate compensation to be paid to the ginneries of the counties who are compelled to make reports and otherwise assist in the collection of these taxes. The amount of work required of them has been tremendous, and it is not in keeping with the policy of the administration, I am sure, that they should be compelled to do this work and receive no compensation for it.

Below I quote a resolution passed by the Georgia Legislature in regard to this last:

Whereas the terms of the Bankhead bill makes no provision for the payment for the collection of taxes imposed thereunder by cotton ginneries; and

Whereas the Treasury Department required that the operators of cotton ginneries should collect such taxes and did not stipulate any compensation therefor; and

Whereas the collection of taxes at ginneries for account of the United States Government entailed an enormous amount of time and effort and necessitated the employment of additional salaried help in connection with the operation of ginneries, which, under no conception, could be construed as legitimate expense imposed upon the owner and/or operators of cotton ginneries: Be it

## Resolved—

1. That the Congress of the United States is earnestly requested to enact such legislation as will fairly compensate the extra expense incurred in the collection of taxes imposed upon the ginneries during the years 1934 and 1935.

2. That a copy of this resolution be transmitted to the Senators and Congressmen from the State of Georgia.

The Bankhead bill as a whole is, in my opinion, the solution to the overproduction of cotton and with the evils corrected as set out in the amendment I have today introduced, truly believe it will prove to be of inestimable value to the Nation.

A bill to exempt a limited quantity of cotton produced by small producers from the cotton ginning tax; to fix a reasonable compensation to be paid where the operators of cotton gins are required to collect such tax, and to provide for the selection of members of county and community committees under the Cotton Act of 1934

Be it enacted, etc., That section 4 of the act entitled "An act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes", approved April 21, 1934, as amended, is amended by inserting at the end thereof the following new subsection:

"(h) Where during the crop year 1935-36 cotton is harvested on land with respect to which an allotment of tax-exempt cotton has been made to the producer thereon (or on his behalf as share cropper or tenant), if the allotment made is less than 5 bales (500 pounds), the tax shall be imposed under this act upon cotton so produced on the following basis: Two bales exempt for head of each family; one-half bale for each dependent of said producer, exclusive of himself and wife, said exemption not to exceed 5 bales. Exemption certificates shall not be issued representing cotton exempt from tax under this subsection, but the Secretary of Agriculture and the Secretary of the Treasury shall prescribe regulations providing for the identification of such cotton and for establishing the right to such exemption. The person establishing his right to such exemption in accordance with such regulations shall be entitled to receive bale tags for such cotton under section 10. The amount of cotton which the Secretary of Agriculture ascertains under section 3 (a) should be allotted for marketing from production during the crop year 1935-36 shall include the amount which he estimates will be tax-exempt under the provisions of this subsection and the amount of cotton apportioned in pursuance of section 3 (b) shall be reduced by the amount of his estimate under this subsection.

The last sentence of section 23 of such act, as amended (relating to the definition of "bale"), is amended by inserting "4 (h)", after "3."

Sec. 2. That section 6 of the act entitled "An act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying addi-

tional benefits under the Agricultural Adjustment Act, and for other purposes", is amended by adding at the end thereof the following paragraph:

"Where the operators of cotton gins are required to collect such taxes imposed under such act that said operators of said gins be paid a reasonable compensation for their services, said compensation to be paid out of the taxes collected on cotton subject to penalty under said act for and during the year 1934-35."

Sec. 3. That section 6 of the aforesaid act be further amended by adding the following paragraph:

"Members of county committees and community committees authorized to make allotments within any county or community shall be selected by the county commissioners, and in the event there are no county commissioners, that the ordinaries (or officials holding like office) of the respective counties or communities in which such members are authorized to act make the selection, under regulations to be prescribed by the Secretary of the Treasury."

WILLIAM B. BANKHEAD

The SPEAKER. The Chair desires to inform the House that by reason of the authority conferred upon him by House Resolution 72, he did on January 26, 1935, administer the oath of office to Hon. WILLIAM B. BANKHEAD at the Naval Hospital in the city of Washington.

In this same connection the Speaker wishes to say that he was very happy to find the gentleman from Alabama improving and very hopeful of being able to be back in the House before a great while; and the gentleman from Alabama wished me to convey his regards to all of his colleagues in the House. [Applause.]

Mr. TAYLOR of Colorado. Mr. Speaker, I offer the following resolution for immediate consideration.

The Clerk read as follows:

#### House Resolution 75

Whereas William B. Bankhead, a Representative for the State of Alabama, has been unable from sickness to appear in person to be sworn as a Member of this House but has sworn to and subscribed the oath of office before the Speaker, authorized by resolution of this House to administer the oath, and that said oath of office has been presented in his behalf to the House, and there being no contest or question as to his election: Therefore Resolved, That said oath be accepted and received by the House as the oath of office of the said William B. Bankhead as a Member of this House.

The resolution was agreed to.

Mr. LUCKEY. Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point a resolution passed by the Nebraska State Senate January 22, 1935, memorializing the Congress of the United States to include building of three interstate bridges across the Missouri River as public works projects.

Mr. SNELL. Mr. Speaker, reserving the right to object, we have always inserted these matters in the RECORD.

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, those petitions which come to us from States are usually referred to the end of the RECORD after the day's proceedings. It is not customary to insert them in the body of the RECORD because there are so many of them. I, personally, however, have no objection.

Mr. SNELL. I have no objection in this instance but we do not want to start this habit.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The resolution referred to follows:

#### Resolution

Memorializing the Congress of the United States to include building of free interstate bridges across the Missouri River as Public Works Administration projects

(Introduced by Senators Neumann, Dafoe, Howell, Sullivan, Carsten, Wells, Crowley, Jelen, and McMahon)

#### Preamble

Whereas in many instances the United States of America, through its Public Works Administration, has considered Federal aid, in whole or in part, on intrastate bridges within the State of Nebraska feasible projects to alleviate distress of the inhabitants of this State accentuated by the 1934 destructive drought; and

Whereas the effect of the withering drought still pinches our people and work relief is imperative if our State is effectively to carry on until private industry can absorb our employables now out of jobs: Now, therefore, be it

Resolved by the Senate of the State of Nebraska in fiftieth session assembled—

1. That this house hereby respectfully petitions and memorializes the Congress of the United States to provide further assistance through its Public Works Administration to consider the immediate public necessity of 100 percent Federal participation in free interstate bridge projects across the Missouri River at South Sioux City, Nebr.; Blair, Nebr.; Omaha, Nebr.; Plattsmouth, Nebr.; Nebraska City, Nebr.; Louisville, Nebr.; Decatur, Nebr.; Brownville, Nebr.; and Rulo, Nebr.; or at such other locations across said river as good engineering and public necessity require.

2. That the secretary of the senate is hereby ordered and directed forthwith to forward a copy of this resolution, properly authenticated and suitably engrossed, to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives, and to the United States Senators representing the State of Nebraska and to the Congressmen in the House of Representatives of the United States representing the State of Nebraska, to take such steps as may be necessary to provide for free interstate bridges across the Missouri River and thus afford the citizens of our State immediate relief, which is desperately needed.

#### RECONSTRUCTION FINANCE CORPORATION

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that it shall be in order tomorrow to consider the bill (S. 1175) to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes.

Mr. SNELL. Mr. Speaker, reserving the right to object, and I am not going to object to taking up this bill, because I think it is very important that it should be taken up right away, can the gentleman inform the House whether hearings on the bill are available at the present time?

Mr. STEAGALL. Mr. Speaker, the hearings have just been concluded. We hope to have them available very shortly. I may say for the information of the gentleman from New York that the hearings are short. Because the House bill has just been reported we are going to take up the Senate bill in order to expedite passage.

Mr. SNELL. Will the hearings be printed in plenty of time to give us an opportunity to study the provisions of the bill?

Mr. STEAGALL. I am sure the gentleman will be satisfied with the provisions of the bill.

Mr. SNELL. Has there been a liberalization of the powers of the R. F. C. with reference to granting loans to industry, and so forth?

Mr. STEAGALL. We think we have liberalized the provisions of the law in a way that will meet the wishes of the gentleman from New York and the rest of us who have found greater difficulty in obtaining industrial loans than we had hoped would be the case under the law passed in the last session.

Mr. SNELL. How much general debate will there be on the bill?

Mr. STEAGALL. That I am unable to say; the House has not yet decided that.

Mr. SNELL. There is no objection on this side so far as I know.

Mr. PATMAN. Mr. Speaker, reserving the right to object, I would like to ask the chairman if he would ask for sufficient time in general debate to give some of us opportunity to be heard. I am interested and would like some time.

Mr. STEAGALL. I think we can accommodate the situation.

Mr. PATMAN. I would be very glad if the gentleman could assure me that I may have some time.

Mr. STEAGALL. I should be glad to do so, but I cannot say to the gentleman just what arrangements will be made about the time.

Mr. PATMAN. But the gentleman will keep it in mind?

Mr. STEAGALL. I certainly will.

The SPEAKER. Is there objection to the request of the gentleman from Alabama that it shall be in order tomorrow to consider the bill (S. 1175) extending the life of the Reconstruction Finance Corporation under the general rules of the House?

There was no objection.

#### COMMITTEE ON BANKING AND CURRENCY

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may sit during the session of the House this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. STEAGALL. Mr. Speaker, I wish also to ask unanimous consent that the Committee on Banking and Currency have until midnight tonight to file a report on the bill (S. 1175) to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

#### SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and under the rule referred as follows:

S. 1175. An act to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes; to the Committee on Banking and Currency.

#### THE TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL, 1936

Mr. ARNOLD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4442) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1936, and for other purposes.

Pending this motion, may I suggest to the gentleman from New York [Mr. TABER] that we let general debate continue throughout the day without limit of time, one-half to be controlled by the gentleman from New York and one-half by myself.

Mr. TABER. That is satisfactory to me.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 4442) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1936, and for other purposes, with Mr. BULWINKLE in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. ARNOLD. Mr. Chairman, I yield 15 minutes to the gentleman from Connecticut [Mr. KOPPLEMANN].

Mr. KOPPLEMANN. Mr. Chairman, one of the most important pieces of legislation passed by the Seventy-third Congress was that which extended the financial aid of the Government to the help of distressed small businesses and industries. Such aid had been available to larger industries, financial institutions, and railroads through the functions of the Reconstruction Finance Corporation. The small business man and small manufacturer, however, whose business in many cases forms the main commercial enterprise of many small towns, found himself strapped so far as credit was concerned. He had no recourse for the financial aid which he so sorely needed. Thousands of these concerns went bankrupt, in many instances paralyzing the commercial activities of entire communities.

As recovery began to take form, stimulated and encouraged by the new deal legislation, new orders and increased business offered hope for renewed activity to countless of these small businesses and industries which had survived the depression. Ordinarily they would have gone to their banks, obtained the credit and loans which they needed, expanded their operations which had been dormant or greatly curtailed during the previous 3 or 4 years, added to their employment rolls, and, in general, contributed materially to the returning prosperity of the community in which they were located.

But there were no credit facilities to be had. Banks either could not or would not loan to these small businesses and industries, which form the background of the commercial enterprise of this country. They cried aloud for help, and help was not forthcoming where ordinarily it would have been.

It was to save the situation that Congress passed in the closing days of the last session the loans-to-industry law,

which opened up the resources of the Reconstruction Finance Corporation and the Federal Reserve System to the small industrial concerns.

A new hope spread through industry and business. Thousands who had been hanging on literally by the "skin of their teeth" breathed again freely, seeing in this far-sighted and liberal legislation a chance to go on, to develop, and to give employment and join with other concerns in the prosperity which was returning to America.

Applications for loans poured into the Reconstruction Finance Corporation and the Federal Reserve banks. Within a few weeks after the passage of the law the facilities of these two agencies were opened up to the industrialists who applied for loans.

It is 7 months since the law was passed; it is fully 6 months since the offices set up under the law began operating. The law was passed as an emergency legislation to relieve a situation existing 6 months ago and not some time in the distant future. How many concerns which have applied for help, to which they were entitled under the provisions of the law, have actually received such help? The figures of the Reconstruction Finance Corporation and the Federal Reserve banks combined indicate that something around 20 percent of the total amount of money authorized by Congress for the purpose of aiding America's small businesses and industries has been so used up to the present time. At that rate it would require something like 5 years to use up all the money which was authorized and which sum of money was intended for immediate use to help American business which needed that help at once. They will not need help 5 years from today—many of them will be beyond help 5 months from today.

In my own district I know of a number of concerns which applied for help under the provisions of this law and did not receive it. In some of these instances a conservative banker reviewed the cases for me and advised they were good risks. That situation must be true in other parts of the country because of the appallingly low number of loans which have been granted by the Reconstruction Finance Corporation and Federal Reserve banks.

The information which is available at this time concerning the extent of assistance which has been given to the small manufacturer and the small business man under the provisions of the loans-to-industry law indicate that in round figures \$34,522,000 has been loaned by the Reconstruction Finance Corporation and \$55,000,000 has been loaned by the Federal Reserve banks.

May I say here that that \$55,000,000 represents both the amount of commitments actually made and the loans which have been approved but the funds of which have not yet been disbursed.

In other words, whereas the law authorized the Reconstruction Finance Corporation to use up to \$300,000,000 of its funds for the purpose of loaning direct to industry and authorized the Federal Reserve banks to loan up to \$280,000,000 for this purpose, to date but a total of \$89,522,000 has been so used. About 20 percent of the assistance which Congress intended that it should receive during the past 7 months has actually been given to the small American industry and business.

Obviously something has to be done, and done immediately. The law must be liberalized along lines which will enable the small business man and manufacturer, whom it is intended to aid, to secure that assistance—first, without suffering the long delay which applications thus far submitted for the most part have had to endure; secondly, without the great expense which the preparation of data and information for submission to the loaning agency in connection with the application has entailed to the manufacturer and business man; and, third, a more personal attitude on the part of the loaning agency toward the applicant. We must deviate from the hard-boiled methods of making such unreasonable demands for collateral as automatically rule the applicant out. The emergency has not yet passed, and in the administration of this law we have no right to be more stringent

than reasonable care and the adequate protection of the loan requires.

In this connection it might be advisable to consider the establishment of intermediate-credit banks to handle this matter of loaning direct to industry. Such intermediate banks would be set up only for the purpose of dealing with trade and industry. Their functions would be quite apart from those of the ordinary commercial bank. They would operate solely for the purpose of investigating applications for loans, advising the applicants; and if the loan were granted, act in a supervisory capacity until such time as the loan was repaid and the concern back on its feet. Theirs would be the exclusive task of assisting American trade and industry to regain its foothold on American enterprise.

In connection with credit banks for industry, it is analogous to cite the existence of the Federal intermediate-credit banks which have been established for agriculture and which operate solely for the relief and the assistance of agricultural enterprise.

Mr. Chairman, I ask unanimous consent to have inserted in the RECORD an analysis of the report of an investigation which has been made on the credit requirements of the small industry for recovery, which was prepared for the Small Industries Committee Business Advisory and Planning Council by Dr. Theodore N. Beckman, who was in charge of the survey.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The matter referred to is as follows:

#### SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

From data submitted herewith it is apparent that a strong feeling has been prevalent for some time that the "small business man" has suffered unduly during the depression and that he has not benefited substantially from new-deal legislation. Especially numerous were complaints against the present credit situation. Serious charges have been made to the effect that it is virtually impossible for the small industrialist to obtain needed capital for working purposes or for long-time requirements, that banks and other normal credit sources have refused to extend necessary and justifiable accommodations, and that industrial recovery will come to naught unless recognition is given to the needs of small business and adequate provision is made to meet them.

This survey was undertaken by the Department of Commerce, with the cooperation of the Business Advisory and Planning Council, in response to a growing demand for the real facts. It was done in the hope that needed light will be thrown on this dark spot of our economic life, and that the findings, if corroborative of the allegations, may suggest constructive measures which will speed recovery and extricate the small business man from his financial difficulties.

#### SCOPE OF THE SURVEY

For the sake of simplicity and homogeneity, it was decided to limit the investigation to industry and not to include trade, construction, etc. Questionnaires prepared by the Bureau of the Census were sent to every manufacturer employing on an average of from 30 to 190 wage earners in 1933, but for final tabulation purposes returns were included from concerns employing no less than 21 and no more than 250 wage earners. The response was immediate and enthusiastic. Such keen interest was displayed in this inquiry that of the 16,500 firms to which the questionnaire was sent, over 46 percent submitted returns. Of these, 6,158 have been found satisfactory for tabulation purposes. Further evidence of unusual interest in the survey is revealed by the fact that 829 manufacturers took advantage of the space provided on the schedule for comments, while several hundred others submitted supplemental letters, expressing their views of the situation at considerable length. The material contained in many of these letters was deemed so valuable and pertinent that 263 of them were excerpted for special study.

Small manufacturer in American industrial life: An analysis of the place of the small manufacturer in American industry disclosed the startling information that of all the manufacturing establishments in existence in 1929, 97.1 percent operated on a small scale, employing no wage earners or less than 250 per establishment. These small industrialists absorbed 48.1 percent of the wage earners employed in industry, in addition to a large number of proprietors and firm members.

In some industries the small manufacturer loomed even larger as an employer of labor. In 7 of the 13 industrial groups into which the concerns have been divided, over one-half of the wage earners were absorbed by the small manufacturer, and in 3 of the major industrial divisions they cared for more than two-thirds of all employees in their respective industries.

On the other hand, less than 3 percent of the manufacturing establishments employed almost 52 percent of the wage earners in industry. This represents a concentration of power in the distribution of employment that is fraught with grave danger.

The existence of the small manufacturer is necessary to prevent monopolistic abuses unless undue Federal regulation and control of industry is resorted to. Thus, continued welfare of the small manufacturer is socially desirable and wholesome. It tends to deflect criticism from the industrial giants, allays fear of control by the few, and maintains a balance in our economic life. Benefits from their continued profitable operation also inure to the numerous small communities in which small manufacturers are located, through deposits of funds in local banks, stabilization of employment, and through the consumption of locally produced materials. Small industry is so intimately woven into the economic and social fabric of the Nation that no recovery is possible without assurance of its economic well-being.

Extent of the credit problem: This study does not deal with the problem of trade credit; it concerns itself entirely with credit from banks and other financial sources. Whether adequate credit of this type is available to small business men is no longer a matter of debate or opinion. Of the 6,158 concerns included in this analysis, 71.2 percent have been classified as borrowers of capital and 28.8 percent as nonborrowers or as concerns with no credit experience. From data it is evident that restrictive policies of financial institutions have exacted a heavy toll from small manufacturers. Of the 4,387 concerns with borrowing relationships, 44.8 percent reported credit difficulty, i. e., they were unable to secure any credit or their credit lines were unduly and dangerously restricted. Projecting this percentage to embrace all manufacturers employing less than 250 wage earners each, it is estimated that at least 65,000 are restricted in their operations by unusual credit stringency. It is probable that manufacturers employing less than 21 wage earners have suffered to a greater extent from credit restriction; hence, this estimate is deemed very conservative.

In nine of the Federal Reserve districts the percentage of borrowing manufacturers experiencing credit difficulty was over 40 and in no district did this figure fall below 32 percent. Nor was this situation confined to a few industries. On the contrary, practically every phase of American industrial life was affected by the restrictive influence of our financial structure. Manufacturers of food products and textiles suffered as heavily as producers of heavy goods. In most instances the smaller firms in each group studied suffered to a proportionately greater extent, indicating possible size discrimination even among the relatively small concerns included in this survey.

Future credit requirements: Of the 1,964 manufacturers reporting credit difficulty, 1,253 estimated that they would need during the present year \$50,915,000 to meet maturing obligations; 517 estimated that they will require \$14,779,000 during 1935 for the same purpose. Annual estimated requirements were thus made through 1938. Projection of these estimates to include all manufacturers of similar size and position in the United States indicates over \$2,000,000,000 will be required during the 5-year period from 1934 through 1938 by manufacturers employing from 21 to 250 wage earners to meet maturing obligations already contracted at the close of 1933 and those expected to be incurred under normal operations. Assuming that the average length of these loans is at the medial between 1 and 5 years, a revolving fund of at least \$1,100,000,000 would be required to meet anticipated needs of small manufacturers having credit difficulty. In addition, they will require funds for working capital, the amount of which could not even be approximated from the data now available.

Financial position and credit standing of small manufacturers reporting credit difficulty: It has been often stated that banks are anxious to make loans to sound concerns but such firms do not want to borrow. An analysis has therefore been made of the financial condition and credit standing of the firms whose applications for credit were refused or whose credit limits were seriously restricted. Financial data submitted by each firm included in the survey were carefully edited to make sure of their contents and were next subjected to analysis.

Two of the most important ratios normally used in the analysis of credit risks were developed for each concern for 1933 and, wherever given, also for 1929 and 1926. Similar ratios were also developed for concerns reporting no such difficulty in order that comparisons may be made between the two classes of risks. Surprising as it may seem, a great many of the manufacturers who could secure but limited funds or none at all were financially sound and would normally be regarded as most acceptable credit risks. Of the 1,964 firms reporting credit difficulty, no less than 450 or 22.9 percent had current ratios of 3, and over 818 or 41.7 percent had current ratios of 2 or more. Furthermore, 644 or 32.2 percent of these firms enjoyed net worth of debt ratios of 3 or more and 49.5 percent of the establishments had such ratios of 2 or better.

Again, 17.5 percent of the firms reporting credit difficulty had both current ratios and net worth to debt ratios of 3 and over, and 32.7 percent of the firms had both ratios as high as 2 or better. It would appear, therefore, that at least one-third of the firms suffering from credit refusal or restriction had \$2 in current assets for every dollar of current liabilities and had \$2 of their own funds in the business for every dollar owed to creditors which is the equivalent of saying that they had \$3 in assets to meet every dollar of liabilities. Certainly such a financial condition should entitle the manufacturers to reasonable credit accommodations, particularly in view of the fact that a large percentage of the manufacturers who reported no credit difficulty were in no better financial condition. It is indeed an economic mystery of

mysteries. It is a financial puzzle that baffles the sincerest thought.

A further analysis of data submitted by 1,346 identical firms for 1926 and 1929, as well as for 1933, showed that the change in their financial condition has been rather small. Approximately 13 percent of the firms registered a decline in their current ratios from 3 or better to a lower ratio grouping, and the firms with a ratio under 1.0 increased from 11.4 percent in 1926 and 10.1 percent in 1929 to 21.8 percent in 1933. The shifts in the intermediate groups were also slight, indicating that most of these establishments were in as good a financial condition in 1933 as they were in the prosperous year of 1929, or in the normal year of 1926, yet were unable to secure needed accommodations from banks.

In order to check the credit worthiness of these manufacturers further, a test was made of 620 firms each of which enjoyed both a current ratio and a net worth to debt ratio of 2 or better. Credit ratings were examined for each of these firms in Dun & Bradstreet's rating book. Although these are only small industrialists, it was found that 236, or 38.1 percent, of the firms were rated high and 157, or 25.5 percent, were rated good. In other words, almost two-thirds of these firms were most acceptable credit risks not only on the basis of their sound financial position, but also on account of their credit worthiness as judged by character or willingness to pay their obligations at maturity and by their capacity as determined by efficient business management. Another 78 of the firms were rated fair. Many of these are normally acceptable credit risks. It is therefore certain, on the basis of this analysis, that at least one-half of the manufacturers reporting credit difficulty would have enjoyed normal credit accommodation had it not been for a drastic and sudden change in the standards, policies, and requirements of banks and other financial organizations, and that probably many others would have qualified under normal competitive conditions.

Normal sources of credit: This survey furnishes valuable information as to the sources normally used by small manufacturers to finance their businesses. Of the 1,964 concerns reporting credit difficulty, 1,872 indicated sources normally used by them. Study of these data shows that 81.9 percent of the firms normally depended upon banks for credit accommodations for working-capital requirements. Approximately 8 percent supplied their own working capital, while 6.1 percent used personal and private loans, and 3.1 percent obtained such funds from the sale of stocks.

Likewise, 2,217 of the 2,423 firms reporting no credit difficulty reported on this item. Their reliance upon banks was even greater, 89.5 percent of the establishments advising such a source for working capital loans. Only 5.7 percent financed their own requirements, while 3 percent obtained personal or private loans.

It is apparent, therefore, that the dependence of small manufacturers on banks as a source of credit for working capital has been of the first magnitude. Sudden disruption of their industrial life necessarily has resulted from credit restriction.

Further than this, the small manufacturer has been encouraged by banking institutions to use them for both intermediate and long-term loans, as well as for short-term credit. Of the 1,153 firms suffering from credit restriction which reported sources used for long-term requirements, 17 percent were dependent upon commercial banks, notwithstanding the fact that commercial banks are not technically regarded as investment-credit sources. Bonds or stocks and mortgage companies were used by only 25 percent of the firms reporting difficulty.

The data are much the same for firms reporting no credit difficulty. Of the 724 concerns supplying information on this point, 19.9 percent used commercial banks and approximately 25 percent used normal investment-credit sources for long-term loans.

The most tragic story was told, however, by the 47.9 percent of the firms having credit difficulty and the 40.1 percent experiencing no commercial-credit difficulty which reported that no sources were available to them for long-term credit. Stated otherwise, it appears that while 44.8 percent of all firms reporting credit experience either could secure no loans or were severely restricted, an additional 40 percent of the remainder who considered their credit unrestricted had no available sources for long-term credit. Conservation in the preparation of this survey has led to the consideration of only 44.8 percent of the firms borrowing as having credit difficulty because this number so replied to a direct query concerning difficulty in obtaining credit. It is manifest, however, that restriction of long-term credit was a fact insofar as 40.1 percent of the firms reporting no commercial-credit difficulty is concerned. If these concerns were included with those experiencing difficulty, the number of manufacturers affected by credit stringency would be 66.9 percent of all borrowing concerns.

Complaints by manufacturers: Criticism of the inadequacy of the present sources of capital credit was received from a large number of small manufacturers. Contrary to what might have been expected, serious criticisms were advanced by all classes of manufacturers regardless of whether they had credit difficulty or whether they customarily borrowed. The nature and extent of these criticisms are an excellent barometer of the credit problems of small industry. Very few appear to be sarcastic or vindictive. On the whole, they appear to be the result of careful thought and are sincerely prepared expositions of manufacturers who have been the foundation of our industrial order. They are the prayerful appeal of men who have faced the depression with stolid faith, hoping against hope that their business could survive. The bias manifested by them is trivial compared with the faith and courage expressed.

Their criticisms are principally leveled against the sudden changes in bank policy, the attitude of bank examiners, the failure of the Federal Reserve System to meet the situation, and the utter collapse of the Reconstruction Finance Corporation as a means of direct aid to industry.

They contend, and from the factual material available there is much merit to their argument, that the mania for liquidity on the part of certain bankers and fostered by Federal bank examiners is largely responsible for the failure of other heroic efforts on the part of the present administration to bring prosperity out of chaos. They further contend that the amassing of large sums in the hands of bankers without distribution of these moneys to industry through loans reduces employment, restricts production, and curtails consumption.

They also complain that such new-deal legislation as the class amendment to the Federal Reserve Act and the industrial loan amendment to the Reconstruction Finance Corporation Act are not put into effect by those responsible for their enforcement because they, too, are bankers and cannot, or will not, use the discretionary powers envisioned by the administration and Congress to assist industry.

These are not an expression of the views of the author of this report, but are a summation of the thought of small industrialists.

That there is justification for some of these criticisms is indicated by the urgent needs of small industry as viewed by the manufacturers themselves. Many reported unfilled orders now on hand for which working capital cannot be secured. Others require funds to purchase machinery and equipment, to expand their plants, conduct sales campaigns, etc. Still others require funds to continue their whole-hearted compliance with National Recovery Administration codes which necessitate increased employment and purchase of raw materials at higher costs. Indeed, in many cases the urgency of immediate credit aid is so great that some firms, with large unfilled orders already on hand, face complete shut-down of their plants with consequent unemployment and bankruptcy.

Recommendations: While the factual data presented in this survey deal entirely with small industrialists, their predicament is undoubtedly also shared by establishments in other economic activities. It is believed that channels of trade and commerce are likewise affected by the lack of financial aid for small wholesale and retail establishments. Due in part to N. R. A. codes, it is claimed, even normal trade-credit accommodations have been restricted. In the consideration of remedies, therefore, their position should also be taken into account and adequate provision be made to meet their needs.

Chapter IX of this report sets forth in some detail policy and regulatory measures to be taken and permanent legislative remedies, the former of which, it is recommended, be placed in immediate effect.

In general, capital requirements of small business enterprises now operating may be divided into three types. First, there are seasonal and other temporary capital requirements incident to current operations. Second, there is the capital required to maintain goods in process of production or trade, aside from fluctuations of a seasonal nature. Third, there is the capital required for maintenance of plant and equipment or for the procurement of additional plant and equipment to meet growing needs. The distress now experienced by small business is apparently equally severe in all three of these fields of credit.

Obviously there is no panacea for the present ills. Progressive action must be taken on a wide front to meet and overcome the obstacles faced by industry. No one of the three-policy or regulatory recommendations made herein will in itself solve the present predicament of small industry, nor will any one of the legislative measures proposed accomplish this purpose alone, but the effect of all of them will go far toward mitigating this suffering.

Federal bank examiners: It is recommended that—

(1) Federal examining policy be immediately changed by specifically instructing bank examiners to stop marking as "slow loans" notes now held by banks and made by small manufacturing establishments of character and which are properly secured;

(2) Bank examiners be instructed to consider the stable character of small manufacturing establishments when auditing bank records with a view of extending rather than restricting credit;

(3) Bank examiners cease their insistence upon loans of a self-liquidating nature until such time as new and permanent sources of intermediate-term credit are made available;

(4) Bank examiners be instructed to obtain the viewpoint of industrialists in carrying out their duties and not maintain only the financial outlook; and

(5) Provision be made to supervise the activities of bank examiners to assure compliance with these regulations rather than leaving the matter to their individual discretion.

Federal Reserve banks: Whether or not the Federal Reserve System should engage in making loans directly to industry is not a question under consideration in this survey. Such loans have been authorized by law and an attempt has been made by the Federal Reserve Board to make the law effective. To date, however, the results are highly unsatisfactory. It is therefore recommended that the Federal Reserve Board amend its policy toward industrial loans by directing all affiliates to—

(1) Appoint to Federal Reserve district industrial advisory committees men who are in fact representatives of small industry and who have no official banking connections;

(2) Grant loans on a "reasonable and sound basis", as provided by law, including in this judgment not alone present ability to repay loans but character and credit standing as normally applied in the analysis of credit risks;

(3) Change the present policy of insisting upon an unusual degree of liquidity and requiring that loans be fully repaid within 3 or 6 months, which is in direct contravention to the intent of Congress in legislating that such loans be granted up to 5 years; and

(4) Encourage affiliates when passing upon applications of small manufacturers to use a latitude of discretion conducive to the expansion of credit.

Reconstruction Finance Corporation: It is further recommended that the Reconstruction Finance Corporation take immediate steps to change its present policy to carry out the intent of the law "for the purpose of maintaining and increasing the employment of labor" by:

(1) Simplifying the machinery by which applications for loans to industry are considered.

(2) Setting a definite time limit by which officials of the Corporation must take action upon applications.

(3) Eliminating some of the red-tape as reflected by the size of the application and the number and variety of documents of which it is composed, thereby reducing the cost incident to the filing of applications and the complexity of the process.

(4) Reducing the collateral and other requirements to a minimum commensurate with reasonable safety.

(5) Considering on a just basis the character and credit standing of applicants for loans as differentiated from a consideration of present financial strength or profitable operation.

(6) Permitting the refinancing of present obligations, so as to carry out the intent of the law as emergency legislation.

Coordination of our banking system: Commercial banking in the United States is now being administered by 61 different authorities. About 40 percent of all banking is conducted under divergent laws of 48 States and the District of Columbia; the remaining 60 percent, in actual practice, is under the jurisdiction not of one Federal Reserve System, but of 12 such systems, because of the great latitude under which each Federal Reserve bank operates. Consequently, no national-bank credit policy is possible, nor is it possible for banks to exercise the necessary regulatory or controlling influence over economic activity.

In order to speed economic rehabilitation and establish banking on a sound basis, it is recommended that legislation be enacted to coordinate and unify our commercial banking system so as to eliminate free competition in banking, lax and divergent supervision, and strong local influence. This can be done, first, by encouraging banks to join the Federal Reserve System, and second, by coordinating all such banking under the System.

To accomplish the first step, Congress should amend the Federal Deposit Insurance Act to:

(1) Require all banks operating under this act to become members of the Federal Reserve System; and

(2) Make bank operation without the benefit of Federal deposit insurance unprofitable by placing a sufficiently heavy tax upon such operations.

The second step is not so much a matter of legislation as it is a problem of administration. The Federal Reserve System should be administered in the spirit of the law creating it by—

(1) Assuming the responsibilities given to it under the law; and

(2) Bringing about greater homogeneity in the development and promulgation of all national credit policies.

The growing tendency on the part of officials of the Federal Reserve Board to pass on to each district the responsibilities which by law rest primarily upon it probably has contributed to a large extent to present ultraconservative banking practice. For example, the regulations and instructions issued by the Board dealing with the industrial and commercial loan provisions of the Glass Act of June 19, 1934, in effect give to each Federal Reserve bank the authority to interpret the act in any manner it sees fit, while at the same time it places responsibility upon each bank that is fundamentally only the prerogative of the Federal Reserve Board. This attempt to place discretion with full responsibility upon each bank has resulted in no discretion, to the great detriment of industry and commerce.

Securities Act: A limited number of manufacturers have expressed their belief that an amendment to the Securities Act is desirable in order that security flotations by small manufacturing establishments may be facilitated. On the basis of a study of the facts in the situation, it is recommended that—

(1) Registration of securities be simplified and adapted to the special needs of each type of security issue and each type of issuer. It is probable that after the first period of experimentation the Securities and Exchange Commission will so modify the requirements for registration that the task will be simplified for small concerns. No change in the law is necessary to accomplish this purpose.

(2) In the examination of the registration statement and the prospectus that is prepared for prospective purchasers of the security, less weight than at present be placed on the financial statement of the issuer and more on the management ability. It is probable that in the long run more failures in business are caused by inefficiency than by lack of capital. Inability to operate a business properly may result in a rapid dissipation of capital, to the detriment of investors. This, again, is a matter of policy which in time the Commission may adopt of its own accord, and which requires no further legislation.

(3) The Securities Act be modified so as to eliminate penalties for the "omission of material facts", unless such information is specifically requested by the Commission. No responsible business man should object to those parts of the act which require that information given in the registration statement and in the prospectus be true and representative of actual conditions. Issuers furnishing false and misleading information in connection with the sale of a security should be subject to punishment just as those who use false or fraudulent methods in other respects. It is also not unreasonable to require that sellers of securities to the public furnish information to the public with reference to such securities, just as it is required of sellers of commodities sold in interstate commerce. But to punish issuers for the "omission of material facts" is just as harsh as to punish vendors of merchandise for failure voluntarily to point out the weakness or undesirable features of their products.

Industrial and commercial intermediate-credit banks: As has been pointed out in a previous connection, approximately 20 percent of the manufacturers reporting on the subject utilized banks for intermediate needs extending over a period of 1 to 5 years. The virtual cessation of lending by banks, except for short-term purposes and that on a restricted scale, has had an especially disastrous effect upon small enterprises. In an effort to remain solvent and to protect depositors, borrowers have been sadly neglected.

Assuming that the remedial measures recommended up to this point will be adopted, the problem of securing capital for intermediate-term needs will still remain unsolved, although in a large percent of the cases it represents the most urgent need. Loans for 60 to 90 days will not help to finance the large volume of more or less permanent working capital necessary to start raw materials through a long productive process or to replace depleted current assets resulting from the depression. The withdrawal of commercial bankers from this field leaves the small firm in an unusually precarious position. It is, therefore, recommended that an intermediate-term credit system be established for industry and trade. The need for such a system has long been recognized by authorities, bankers, and business men.

In the report of the National Industrial Conference Board on "The Availability of Bank Credit", published in 1932, it was pointed out, first, that commercial banks prior to the depression extended "a considerable volume of intermediate credit", and second, "that it is natural that business demands for such credit should be greater after 3 years of operating reverses than formerly", due to an impaired working capital condition. The question is then raised whether there is not a "real defect in the American banking system because of the absence of specialized" institutions dealing in intermediate credit, just as in the case of the Federal Intermediate Credit Banks established for agriculture.

Therefore, the recommendation is made that an Industrial and Commercial Intermediate Credit System be established by an act of Congress, so that the small industrial and commercial borrower may have credit facilities similar to those already in existence to finance agriculture, urban real estate, railroads, and large industrial enterprises. This system is to consist of a Central Intermediate Credit Bank and 12 regional Intermediate Credit Banks as follows:

1. The Central Intermediate Credit Bank to be located in New York City so as to obviate the necessity for a separate fiscal agent and to be in close proximity to industry and trade.

2. The Central Intermediate Credit Bank to be managed by a governor and a board of directors.

3. Funds for lending purposes to be obtained by the Central Intermediate Credit Bank through—

a. An initial capital stock of \$100,000,000 to be purchased by the Treasury of the United States.

b. An additional capital stock of \$100,000,000 to be subscribed by the Treasury of the United States, subject to call, in whole or in part, by the directors of the central intermediate credit bank, on 30 days' notice to the Secretary of the Treasury.

c. Issue and sale of collateral trust debentures, with a maturity of not more than 5 years and not in excess of 10 times the paid-in capital and surplus.

4. It shall be the function of the Central Intermediate Credit Bank—

a. To make loans to the 12 regional Intermediate Credit Banks on terms and conditions prescribed by the governor, who is also to be chairman of the board of directors of the Central Intermediate Credit Bank.

b. To issue rules and regulations to the regional banks and to exercise complete supervision over them.

5. The 12 regional intermediate credit banks for industry and trade to be located in the same cities in which the Federal Reserve banks are located.

6. It shall be their function—

a. To make loans directly to industrial and commercial enterprises. Individual loans will be large enough to justify direct participation and thus eliminate the red tape which usually characterizes indirect procedure.

b. To discount paper for banks and trust companies arising out of intermediate loans to industry and trade.

7. Borrowers from the regional Intermediate Credit Banks to subscribe to the stock in the Central Intermediate Credit Bank an amount equal to at least 5 percent of the loan obtained.

8. Interest rates charged on intermediate loans by the regional banks to be at least 1 percent per annum higher than the redis-

count rate by the Central Intermediate Credit Bank, but not less than 3 percent nor more than 6 percent.

It is not the intention of this survey to present the legislative details of the laws proposed or to point out the exact form which the proposed regulatory or policy measures should take in the administration of existing laws. An attempt has been made merely to present the substance of the remedies proposed and of recommendations embodied in this report. To date, the march to economic recovery has been seriously retarded. It is believed that the remedies herein proposed point the way to lasting improvement in business and to increased employment along a wide front.

Mr. KOPPLEMANN. Mr. Chairman, this report substantiates the statements which I have made today. The material in this report is the compilation of information which has been gathered in a survey conducted to secure an accurate picture of the situation confronting the small industries of the United States. The purpose of this survey, as is the purpose of my criticism against the present functioning of the loans-to-industry law, is to arrive at an efficacious solution of this all-important problem to American commercial enterprise.

While it is not my intention to offer Dr. Beckman's report as the cure-all of American industrial credit evils, I do believe that it offers considerable provocation for serious thought which will bring about corrective steps at once. Bearing as it does the stamp of officialdom, it emphasizes the need for immediate remedial action. Again I repeat that American industry needs our help today and not some time in the distant future.

Mr. BOLTON. Will the gentleman yield?

Mr. KOPPLEMANN. I yield to the gentleman from Ohio.

Mr. BOLTON. I have listened very carefully to the gentleman's remarks, and I am wondering if his membership on the Banking and Currency Committee leads him to believe that the difficulty with industry lies either in the administration of the law or in the law itself?

Mr. KOPPLEMANN. Both. The law itself was intended, and the Congress intended in the writing of the law, that a liberal interpretation should be placed upon the law. Unfortunately the law contained the phrase "full and adequate security" which I may say to the gentleman has now been stricken out. Because this phrase left considerable to the judgment it obstructed the effective operation of the law. What I am calling to the attention of the Congress is that the law is being operated by the Reconstruction Finance Corporation, the Federal Reserve banks, and organizations which are primarily banking institutions and which have the bankers' attitude. Their interpretation of the law has in many cases been so harsh that applicants for loans, which in my opinion were justified, were unable to receive such loans. [Applause.]

Mr. TABER. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. MILLARD].

Mr. MILLARD. Mr. Chairman, I prefer not to yield until I have concluded my remarks.

Mr. Chairman, a practice has recently grown up that I feel should be brought to the attention of the Members of this House, and which I feel should perhaps be made the subject of an investigation by the members of the Committee on the Post Office and Post Roads, so that those responsible for it may be given an opportunity to defend themselves and to make an explanation.

During the present administration it has been the practice of the Postmaster General, when there were new issues of stamps, to requisition from the Bureau of Engraving and Printing the first few sheets printed, before they had been gummed and perforated, autograph them, and present them to a favored few of his friends. I am told that when the Mother's Day stamp was issued Mr. Farley autographed and presented the first full sheet of 200 subjects to Mrs. Roosevelt. Later he inscribed one of these imperforate sheets of stamps for the President, Colonel Howe, and one for his own children—Betty, Ann, and James Jr.

With the printing of the Wisconsin stamp which followed, sheets are said to have been autographed by the Postmaster General for the President, his secretary, Third Assistant

Postmaster General, and this time one for each of Mr. Farley's three children.

When the National Park stamps were issued in July of last year the weekly Philatelic Gossip commented:

As usual, sheets were autographed for officials of the administration, including the President.

The first sheet having been presented to Mr. Secretary Ickes.

The American Philatelic Society feels that this new deal in philately is a discrimination against the rank and file of stamp collectors, because sheets of imperforate stamps are not made available to them for purchase, but are autographed and given to a favored few, and in most instances those few officials of the Government.

The president of the local chapter of the society in my own county informs me that he knows of collectors who have paid as high as \$175 each for the imperforate stamps in pairs and in blocks. Two weeks ago, out of Norfolk, Va., there came a little dispatch for the papers saying that one of those special souvenir sheets of Mother's Day issue, unperforated and ungummed, had turned up in the philatelic market and was quoted at some outlandish price between \$20,000 and \$30,000. It develops that a sheet of imperforate and ungummed stamps is a museum piece and of great value. I am credibly informed that there are 9,000,000 stamp collectors in the United States who purchased stamps last year amounting to almost a million dollars. Any little irregularity in a stamp creates a value entirely unrelated to its nominal price. The Postmaster General has brought out a lot of new issues on the theory that the people are getting tired of the old ones. Up to the present time he has turned out 20 special issues. There were 10 of various denominations in the national parks series; 1 for the town of Newburgh, N. Y., 2 for the Chicago exposition, 1 for the N. R. A., 1 for Kosciusko, the Zeppelin flight stamp, the Byrd "Little America" stamp, the Maryland commemorative stamp, the Mother's Day issue, the Wisconsin Tercentenary stamp.

There has been considerable comment upon this practice in the press and a number of stamp clubs and chapters of the American Philatelic Society from Maine to California, including the Westchester County chapter, in my own home county, have passed several resolutions protesting it. In a resolution adopted January 18, 1935, the Westchester County Chapter No. 85, asked that the officers of the American Philatelic Society call to the attention of the Post Office Department the policy of issuing imperforate presentation sheets of stamps which they say causes confusion and is detrimental to the best interests of American philately. The members believe that the practice has continued to the further detriment of collectors of the United States' stamps, as some of those imperforate stamps have already been offered for sale and there is nothing to prevent any and all of them being offered at some future time. The resolution asks further that the Post Office Department recall and deliver to the Bureau of Engraving and Printing, for destruction, all such irregular and contra-band productions. It was further resolved that a copy of the resolution be forwarded to President Roosevelt, a fellow member of the American Philatelic Society, with the request that he personally intervene in the matter in the interest of collectors in general and for the preservation of the credit of philately in the United States. This resolution was passed after it was absolutely authenticated several new stamps, including the Mother's Day and the National Parks stamps, had been issued before being perforated and had found their way into the hands of dealers. The members, in adopting the resolution, felt that such issuances and practices have a strong tendency to cast suspicion that favoritism is practiced by the head of an important department of our Federal Government, who, like Caesar's wife, should be above and beyond suspicion.

In a poll taken by the National Federation of Stamp Clubs it was found that the clubs are almost unanimously against

the policy of giving out imperforate sheets of stamps to favored individuals.

One of our colleagues has received a letter from a constituent commenting on the practice of the Postmaster General to which I have referred. I want to read from his letter:

Mr. RANKIN. Will the gentleman give the name of the writer of the letter?

Mr. MILLARD. I will give it to the committee later.

Mr. RANKIN. Will the gentleman give it now?

Mr. MILLARD. No.

Mr. RANKIN. Then, Mr. Chairman, I object to the gentleman reading the letter if he will not tell us who wrote it.

Mr. MILLARD. I am doing this in my own time.

Mr. RANKIN. The gentleman cannot read anything of that nature in his own time except by unanimous consent of the House.

Mr. SNELL. Will the gentleman yield for a question?

Mr. RANKIN. I do not have the floor.

Mr. MILLARD. I yield to the gentleman from New York.

Mr. SNELL. Mr. Chairman, I appreciate the objection which the gentleman from Mississippi makes may be sustained, but when the gentleman from New York [Mr. MILLARD] gives the information to the House and tells us he will give the writer's name to the committee, it seems to me that is fair and it seems to me he should be allowed to read the letter. I appreciate the gentleman may follow up his suggestion with an objection.

Mr. RANKIN. I think the gentleman from New York should give the name of the man writing the letter.

Mr. MILLARD. The name of the man is George R. M. Ewing, 52 Vanderbilt Avenue, New York City.

The CHAIRMAN. Does the gentleman from Mississippi withdraw his objection?

Mr. RANKIN. Yes; the gentleman has complied with my request.

Mr. MILLARD (reading):

Postmaster General Farley is presenting entire sheets of new stamps to some of his friends, including the President. These sheets are not perforated nor are they cut apart into small panes of 50 to 100 as we buy them in the post office. Consequently they constitute an entirely different variety of stamp from the perforated stamps sold in the post offices. It is absolutely impossible for any private citizen to buy any of these imperforate stamps. Consequently anyone getting one of these sheets pays Farley the face value and gets a sheet of stamps that is worth thousands of dollars in the philatelic market.

As an example, several weeks ago I saw an unperforated sheet of Mother's Day stamps—200 stamps on the sheet (when cut into panes, we bought them in small panes of 50) and it bore the signature of Mr. Farley on one of the sheet margins. The sheet of stamps was sent to the Scott Stamp & Coin Co., 1 West Forty-seventh Street, New York City, for them to purchase and the owner asked \$20,000 for the sheet. They cost 3 cents a stamp and he asked \$100 a stamp from the dealers. The Scott Co. refused to buy the sheet and sent it back. They will not divulge the name of the owner to private individuals, but Hugh M. Clark (head of the Scott Co.) has twice requested the local postal authorities to send up an inspector to question him, and he would give the inspector the information. His invitation has been absolutely ignored to date.

Not only sheets of Mother's Day issue but of every issue brought out under Farley's supervision has been distributed, and some day these are coming on the market—if not by the present holders, then by their estates—and stamp collectors are going to be forced to absorb United States stamps that they never had the opportunity to acquire when they were current. Naturally they will be forced to pay through the nose—as they are being asked to do at the present time.

I, personally, have been offered blocks of the 4-cent national parks and the 8-cent national parks imperforated (and these can only come from the presentation sheets) at \$250 per stamp, \$500 for a pair of stamps, and \$1,000 for a block of four. They were offered to me by a dealer, and he said they were offered to him from a source in Washington in exchange for United States stamps that the owner desired for his collection. I refused to buy and the dealer later told me that he declined the order as he couldn't place the stamps at that price—but, a few days later, he received the same identical want list from a dealer in Washington. In other words, the owner found a Washington dealer he could do business with.

So that you will not think that it is a case of "sour grapes" with me relative to these unperforated sheets, I want you to know that I own a pair of unperforated 2-cent national parks stamps that I bought from a dealer (Eugene Klein) in Philadelphia in September and paid him \$250 for them. This was before I was

aware of what was going on, and they were represented to me as having been found in a post office out west. If we succeed in getting the Department to issue these sheets unperforated, the value of my pair will drop from \$250 to 4 cents; nevertheless I want to see it done.

In my boyhood days, like most of the rest of us, I collected stamps but have never done so very seriously, and while I agree with the collectors that there is unfair discrimination here, I feel that a much more serious situation has arisen whereby an official of the Federal Government can make unlimited presentations of gifts not purchasable in the open market, but which have a value in that market of \$20,000, or one even approximating that amount. From this it is quite obvious that the monetary value of Mr. Farley's gifts is tremendous.

I think my colleagues in the House will believe with me that the Postmaster General should be given an opportunity to make an explanation and I ask that this House authorize the Committee on the Post Office and Post Roads to call the Postmaster General and give him this opportunity, and that he place before the committee copies of all requisitions and invoices drawn by the office of the Third Assistant Postmaster General on the Bureau of Engraving and Printing by the Philatelic Agency or other sales agencies for imperforate stamps since March 4, 1933, or beginning with the Newburgh proclamation of peace commemorative stamp, and all correspondence connected therewith.

Following is copy of the resolution of inquiry which I have introduced today and which will be referred to the Committee on the Post Office and Post Roads:

*Resolved*, That the Postmaster General be, and he is hereby directed to furnish to the House of Representatives the following information:

1. Whether imperforate, incomplete, or specially marked stamps have, since January 1, 1933, been issued by the Bureau of Engraving and Printing at the request of or with the consent of the Post Office Department or any officer or employee of that Department.
2. Whether imperforate, incomplete, or specially marked stamps, since January 1, 1933, have been knowingly distributed by the Post Office Department, or any officer or employee of that Department, other than through the regular channels of the Post Office Department for sale to the public.
3. Whether any stamps of special issues, since January 1, 1933, have been distributed other than through the usual channels of the Post Office Department for sale to the public.
4. The name or names of officers or employees of the Post Office Department, if any, who have since January 1, 1933, authorized or consented to the distribution of imperforate, incomplete, or specially marked stamps or have distributed such stamps or any stamps other than through the regular channels of sale to the public, and the name or names of the person or persons to whom such distribution has been made and the price or prices, if any, paid by persons receiving such stamps.

This is a resolution which I placed on the desk this morning and which will be referred to the Committee on the Post Office and Post Roads. I think the rights of 9,000,000 stamp collectors should be protected, and therefore I am bringing this matter before the House at the present time.

Mr. FISH. Will the gentleman yield?

Mr. MILLARD. I yield to the gentleman from New York.

Mr. FISH. May I ask the gentleman if he has any information as to the accuracy of the statement that appeared in the public press as follows:

Mr. Roosevelt, Mr. Howe, and Mr. Farley each have received unperforated, ungummed sheets of all issues. There being few, if any, other such sheets in existence, each has received \$340,000 worth of stamps.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman from New York 3 additional minutes.

Mr. FISH (reading):

Mr. Ickes, with his 10 sheets of the park issues would have \$200,000 worth of stamps, although for some reason the park issue seemed to command less money.

Mr. MILLARD. I have not all of that information, but I do have information that the President has received all 20 and that Mr. Ickes has received 10. After the Philatelic Society investigated, they gave me the information and the proof that other people have received these stamps. How

many I do not know. That is the idea of this inquiry I am suggesting.

Mr. McCORMACK. Will the gentleman yield?

Mr. MILLARD. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Has the gentleman himself made any inquiry of the Post Office Department for information with reference to this matter?

Mr. MILLARD. I think my secretary called up there yesterday.

Mr. McCORMACK. Your secretary?

Mr. MILLARD. Yes.

Mr. McCORMACK. The gentleman himself has not called up, but has introduced this so-called "resolution." Is that correct?

Mr. MILLARD. That is correct.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. MILLARD. Yes.

Mr. RANKIN. Has this practice been indulged in by Postmasters General in the past?

Mr. MILLARD. I understand not.

Mr. RANKIN. Where did the gentleman get that information?

Mr. MILLARD. From the Post Office Department this morning.

Mr. RANKIN. From the Postmaster General?

Mr. MILLARD. Not from the Postmaster General, but from someone in the office there. I called up and wanted to know if this had been the practice and they said that never have they issued unperforated and ungummed stamps before this time.

Mr. KELLER. Did they admit it had been done this time?

Mr. MILLARD. Oh, yes; the Postmaster General admits that; and it is only a question of amount.

Mr. RANKIN. Mr. Chairman, will the gentleman yield further?

Mr. MILLARD. Yes.

Mr. RANKIN. As I understand from the gentleman's argument, he does not contend that the Government lost any money in these transactions?

Mr. MILLARD. The Government did not lose any money; no. They paid 3 cents apiece for them, but they got \$60 instead of \$20,000, which they would be worth to the philatelists.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. MILLARD. I yield.

Mr. O'CONNOR. The gentleman knows that by reason of the issuance of these stamps millions of dollars of revenue come into the Post Office Department. This is a very substantial source of income.

Mr. MILLARD. Not these stamps, I will say to the gentleman from New York.

Mr. O'CONNOR. Oh, yes; from these new stamps.

Mr. MILLARD. Not from unperforated and ungummed stamps.

Mr. O'CONNOR. I mean from the issuance of new stamps. I understand the issuance of the George Washington Bicentennial stamps brought in \$1,000,000.

Mr. MILLARD. That is correct; but that has nothing to do with this argument. [Applause.]

[Here the gavel fell.]

Mr. ARNOLD. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Chairman, I regret that the gentleman from New York [Mr. MILLARD] did not at least show the Postmaster General the courtesy to first take this proposition up with him. I am sure that the Postmaster General will be pleased to give the facts.

The gentleman from New York [Mr. MILLARD] admits that the Government lost nothing in this transaction; but from the headlines that appeared in the papers you would think there had been a raid on the Federal Treasury, and even from a reading of the gentleman's interview of last Sunday, until you got almost to the last of it, you would have received that impression.

If there has been anything done that should not have been done, I for one am more than willing to have it investigated;

but it seems to me that the gentleman from New York is rather hurried in his attempt to rush into the Well of the House and raise this question against the present Postmaster General when he slept through a former administration, when a former Postmaster General was making mail contracts that were unconscionable, unreasonable, and by which the Government was losing millions of dollars.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. Yes; I yield.

Mr. BOILEAU. The gentleman has stated there was no raid on the Treasury, but if what the gentleman from New York has stated on the floor here is true someone certainly received something that they should not have received.

Mr. RANKIN. As I said, I am not objecting to the investigation, but I am calling attention to the fact—and the gentleman from Wisconsin will agree with me—that the gentleman from New York was a Member of the House when these mail contracts were being made that no man in good conscience can defend on the floor of this House or elsewhere. I want to congratulate the gentleman from New York on his revival of righteousness; and now, while they can do so without losing any political prestige, I should like to see it spread through the entire Membership on the other side of the House. I should like to see it become retroactive. I hope it will even extend back as far as Teapot Dome, because they must get forgiveness for all their sins if they are going to be received back into the fold of righteousness by the American people. [Laughter and applause.]

Mr. BOILEAU. I have always regarded the gentleman from Mississippi as being very fair.

Mr. RANKIN. I thank the gentleman and return the compliment.

Mr. BOILEAU. I think, however, in this instance, the gentleman is apparently putting up a smoke screen of somebody else's misbehavior to cover up, apparently, what I would not say is misbehavior, but certainly an indiscretion.

Mr. RANKIN. I will say to the gentleman from Wisconsin that I am not objecting to this investigation at all, but I do think, in all fairness to the Postmaster General, the distinguished gentleman from New York [Mr. MILLARD] should have taken this up with him before coming into the well of the House and making this attack.

But the point to which I was calling attention is the fact that during all the days of a former administration, when mail contracts were being made by which subsidies were given to certain interests that were shown to have contributed heavily to the Republican campaign fund, the gentleman from New York [Mr. MILLARD] was as meek as a mouse so far as raising the question of the propriety of such dealings was concerned.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the distinguished gentleman from New Jersey.

Mr. PERKINS. The gentleman is not erecting a smoke screen, because a smoke screen obscures. The gentleman is drawing a herring across the trail, which detracts.

Mr. RANKIN. I will ask the gentleman from New Jersey not to follow the herring, as he did under the former administration.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. O'CONNOR. I have just looked at the resolution and I find it has no title on it as most resolutions have. Does not the gentleman think that for the benefit of the country in these days of relief measures it might be entitled "A bill for the relief of the distressed philatelists"?

Mr. SNELL. You can do almost anything under your present relief bill, and you can probably attend to that.

[Here the gavel fell.]

Mr. ARNOLD. Mr. Chairman, I yield the gentleman from Mississippi 2 additional minutes.

Mr. RANKIN. I think the gentleman from New York [Mr. O'CONNOR] is entirely correct. He has made a good suggestion.

But you know it makes a great deal of difference whose ox is gored.

The point I am making is the fact that stamp collectors are being gouged, according to the statement of the gentleman from New York [Mr. MILLARD]; but in the other case I mentioned the American taxpayers were being gouged for millions of dollars, and the gentleman from New York took no notice of it, so far as the RECORD shows.

Mr. McCORMACK. Will the gentleman yield?

Mr. RANKIN. I yield.

Mr. McCORMACK. Something has been said about a smoke screen and dragging a herring across the path. The gentleman knows that the herring came from the Republican side because of the wonderful activities of the chairman of the Democratic committee.

Mr. RANKIN. Nobody discovered it until it was mentioned by the gentleman from New Jersey [Mr. PERKINS], whom I regard as one of the ablest men on the Republican side. Things must be bad when he rises to protest, for he sat here under Republican misrule for 12 years and said nothing.

Mr. ALLEN. Will the gentleman yield?

Mr. RANKIN. I will.

Mr. ALLEN. Are the rugs in the Postmaster General's office still there?

Mr. RANKIN. I think the ones the Democrats bought are still there. The others probably disappeared with the Republican administration. [Laughter.]

Mr. TABER. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN. Mr. Chairman, the gentleman from New York [Mr. MEAD], Chairman of the Post Office Committee, and myself have introduced practically identical bills which would authorize the Secretary of the Treasury on recommendation of the Postmaster General to purchase closed State and national banks suitable for post offices and at the same time relieve bank depositors throughout the United States. We all know that throughout the United States there are hundreds of closed banks that are now empty. We know that it is practically impossible to sell these wonderfully constructed buildings to any business man to be used as a business house. They are lying idle, while the United States Government is renting inadequate buildings for postal use. In many instances the Government is building post offices in the same towns where these closed banks are located. In one town in my district—and there are probably similar cases in every district—a State bank has closed its doors. The cost of the bank building was \$60,000. It was built about 10 years ago. It would cost the Government about 20 percent of the construction cost. It is located in the center of the town and would make an ideal post office. Under existing law the Government can only buy sites and build post offices. To me it seems ridiculous that the Government cannot buy a bank building at a cost of 20 percent, admitting that the particular bank would meet all the requirements for a post office. Most of the closed banks are in good condition, but for those that need repair or remodeling my bill provides that the Government can spend 10 percent for necessary repairs on closed bank buildings costing \$50,000 or over; it provides for 20 percent of purchase price for repairs on buildings purchased for under \$50,000.

Enactment of this bill will facilitate the payment of depositors, because, as I have stated, most bank buildings are unsuitable for general business, therefore would continue to be idle, thus making a continual drain on the depositors for taxes and continual repairs.

I would like to see this bill enacted into law.

Mr. ARNOLD. Mr. Chairman, I yield 30 minutes to the gentleman from Texas [Mr. CROSS].

Mr. CROSS of Texas. Mr. Chairman, as a result of an utter collapse of their ancient, unscientific monetary systems, there is taking place in every enlightened country in the world rapid reformation of their monetary systems.

And we with more unemployment and more suffering than any other country as the result of the deficiencies of our system should quit hesitating and face the facts and reform our system before it is too late.

The subcommittee of the Banking and Currency Committee, of which I was a member, appointed at the last session of Congress to investigate our monetary system, held extended hearings and as a result of those hearings, as well as my personal investigations, I introduced H. R. 2747, and I earnestly hope every Member of this Congress will give it that serious, earnest consideration that the critical condition of our country and the importance of the subject demands.

Mr. Chairman, with its marvelous climate and fertile soil, its matchless rivers and harbors, the United States covers the choicest portion of the globe. Populated by 125,000,000 sturdy, industrious people, with its countless factories, its warehouses bursting with every fabric that goes to clothe, its graneries filled with every cereal, and its farms and ranches stocked with every animal to feed mankind, measured in true values it is richer than ever in its history, and should be enjoying an era of unparalleled prosperity.

The things that supply the necessities and comforts of men, the houses that shelter, the products that feed and clothe them are as valuable today as they were 10 or 100 years ago, and will be as valuable 10 or 100 years hence. Yet we are told that because the thing we attempt to measure value with, the dollar, has greatly increased in purchasing power, resulting from an increased demand for gold and consequently rapid credit contraction; this monetary unit, though of little intrinsic value, will exchange in the aggregate for twice as much of these essential things as it would 7 or 8 years ago, and therefore, we have lost nearly half of our national wealth.

It would be just as reasonable to say that the foot having expanded until it covers 24 inches, because still called a foot, the Washington Monument has lost half its height, or that the gallon measure had expanded and increased its capacity to double, and as a result a reservoir had lost half its water.

What is it that has so bewitched and confused the people, resulting in mental anguish, unemployment, want and hunger, filling our asylums with insane, and driving many to suicide and crime in this El Dorado with bountiful plenty on every hand?

Let us diagnose the patient and find the seat of trouble. The monetary system of a country is to its economic welfare what the circulation of the blood is to the body. The gold in the gold dollar has but little real value, and as such means little, but its purchasing power resulting from the statutory fiat making it legal tender for all debts means much. We cannot hope to have sustained prosperity with our monetary unit, the dollar, uncontrolled, and at intervals running amuck, expanding and contracting in purchasing power.

Our monetary metal, gold, like every other commodity, fluctuates in value in response to the law of supply and demand, and as the statutory debt-paying medium, that fluctuation is accentuated by fear and hoarding, credit inflation and deflation. The effect of supply and demand on the purchasing power of our unstabilized gold dollar was vividly demonstrated as a result of the World War. During that war 42 countries in Europe ceased to use gold as money, and as we continued to use it as money, it flooded here until we had practically half the gold available for monetary purposes in all the world, and, under the law of supply and demand, gold cheapened until the gold dollar had but small purchasing power, and as its purchasing power declined, the prices of property in the same ratio went up, and credit, uncontrolled, rapidly inflated as a result of the people being obsessed with the idea that prices would continue to rise; that is, that the purchasing power of the dollar would continue to decline, there being no standard for measuring the purchasing power of the dollar. Stabilize the purchasing power of the dollar and you stabilize credit.

The working of our present unstabilized gold dollar can be aptly illustrated by two buckets attached to the two ends of a chain which passes over a pulley as in a well, and as one bucket goes up the other bucket goes down. Let one of these buckets represent the commodity gold—that is, the

gold dollar—and the other bucket represent all property, buildings, homes, all products, and commodities that supply the necessities and comforts of the people, as well as the lands that produce them. Now, as the purchasing power of the unstabilized gold dollar decreased during and for several years after the World War, the bucket representing the commodity gold—that is, the gold dollar—went down in price or purchasing power, and the price of all things in the property bucket in the same ratio of necessity went up, until we saw cotton sell for 42 cents a pound, cottonseed \$80 a ton, and most any kind of a steer in excess of a hundred dollars, and other things in proportion. Some years after the World War, when the 42 countries that had abandoned gold as money attempted to return to the use of gold as money, the demand for it became great, and as a result its purchasing power shot up, which is the same thing as saying that the price of all property represented by the property bucket of necessity plunged down. So those who had gone into debt during this period of high prices or cheap dollars and mortgaged their homes, farms, and ranches, and the cities and towns, the school and road districts that had voted bonds and exchanged them for 30-cent purchasing power dollars, compared with the present high purchasing power of the dollar, are now being called upon to pay several times in real value for what they received.

Our monetary unit, the dollar, uncontrolled as it is in purchasing power, is in no sense a measure of value. Properly stabilized in purchasing power, it would be a measure of value, as the lineal foot is a measure of length, or the pound is a measure of weight, or the cubic foot is a unit measure of volume. You can no more measure volume by a unit of weight, such as the pound, than you can measure value by the gold dollar, which is a fixed unit of weight. Before the dollar can be used as a unit to measure value, it must be stabilized in purchasing power by taking the mean or average price of a large number of commodities which supply the necessities and comforts of the people over any normally prosperous period, such as the year 1926, which average price is termed the "wholesale commodity price level." This means that while the price of various commodities may go up and down in response to supply and demand, yet when you take the price of the whole number of commodities used in determining the purchasing power of the dollar, its purchasing power must be kept in harmony with the wholesale commodity price level of that year which is taken as a standard. So that if one borrowed a thousand dollars, he will pay back when it falls due, whether it be 1 or 20 years later, a thousand dollars having the same purchasing power as the \$1,000 he borrowed.

There are two kinds of inflation—credit inflation and currency inflation. We hear much about currency inflation, but little about credit inflation, and yet the latter is by far the more treacherous. Both uncontrolled work great injustices. Uncontrolled credit inflation has the effect of finally transferring the property of the great producing debtor class to the comparatively small opulent nonproducing money-lending creditor class, causing business stagnation and unemployment and leaving the former penniless and destitute. On the other hand, uncontrolled currency inflation has the effect of unjustly taking from the creditor class and giving to the debtor class. As credit uncontrolled inflates, the purchasing power of the dollar lessens, prices rise, and the owners of property, those who produce things on farms and in factories, borrow money and expand their operations. Home owners and others, as the result of rising prices and profits, are incited to borrow on their homes and other property and invest in stocks and what not. Cities and towns, school and road districts, vote bonds and exchange them for cheap purchasing power dollars. And then this inflated balloon like uncontrolled credit, deflates, contracts, and as it deflates fear and panic seize the people, and up shoots the purchasing power of the dollar, and those who borrowed are called upon to pay back in real values two and three times what they borrowed. Producers are ruined, factories close, and unemployment mounts.

Our dollar unstabilized in purchasing power is like a ship drifting without compass and rudder and its crew panic-stricken in constant fear of disaster.

If justice is to be done to both debtor and creditor classes and the country kept on an even keel of sustained prosperity, the dollar must be made a dependable measure of value.

Some 4 years ago Sweden, enmeshed in economic ruin, turned to a controlled currency, and as if by magic her financial skys cleared, and as a result, today, she is enjoying a prosperity unparalleled in her history. While shrewd old England, with her "sterlingaria", guided by what is known as the "economist index", is fighting to reach the same goal.

Under the mechanics of the bill introduced by me to accomplish this vital reform, the purchasing power of the dollar, as shown by the wholesale commodity price level for the year 1926, is taken as a standard, so that its purchasing power during that period is accepted as being at 100 percent, or par. Then, with this as a standard, this bill provides that whenever the purchasing power of the dollar is more than 2 percent above par, the stabilization board, provided for in the bill, and to consist of the Secretary of the Treasury, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, and the Comptroller of the Currency, shall uniformly reduce the rate of income taxes; or, if they deem best, suspend income taxes entirely, while issuing, if necessary, "stabilization coin certificates" and paying all governmental expenses and obligations as they fall due until the purchasing power of the dollar returns to par; and should at any time the purchasing power of the dollar contract and thereby fall as much as 2 percent below par, the Secretary of the Treasury, acting on behalf of the currency stabilization board, is required to withdraw currency from circulation by gradually and uniformly increasing the income-tax rate until the purchasing power of the dollar is restored to par. This bill further provides that the gold dollar shall contain 11.61 grains of fine gold, and that the silver dollar shall contain 185.625 grains of fine silver. This would establish a ratio of 16 to 1 in the coinage of the two metals. Thus, by restoring silver as money and thereby broadening the metallic base and reducing the number of grains in the gold dollar by half, the Secretary of the Treasury would at all times be in possession of ample redemption metal so that he could expand the currency in circulation sufficiently to keep the purchasing power of the dollar at par with the 1926 wholesale commodity price level.

This bill further provides that all currency certificates of every description now outstanding shall be called in as rapidly as possible and replaced by stabilization coin certificates, which are to be redeemable in either gold or silver at the option of the currency stabilization board. But, with the exception of fractional parts of the silver dollar, neither gold nor silver shall be converted into monetary coin, and that no stabilization certificates shall be redeemable in quantities of less than \$5,000.

Consumption is in proportion to employment and adequate wages, and when such conditions prevail as prevailed under the wholesale commodity price level of 1926 products can be sold for a profit, and then, and not until then, will demand keep pace with production and our imaginary nightmare of surpluses vanish. Under such conditions our standard of living will be raised and want and crime will become rare and panics things of the past.

Under the workings of this bill fair prices will be assured, and fair prices mean profits, and under such conditions an increase in income taxes is easily borne. There are in excess of \$27,000,000,000 of Federal bonds outstanding which would gradually be paid off and an end brought to the folly of the Federal Government issuing bonds and longer lending its credit to private corporations that they might use that credit to tax the people to their profit. For why should the people be taxed to use their own credit?

There are two classes to whom we pay tribute to borrow on our own credit. On the one hand the banking corporations and on the other hand the nonbanking institutions and individuals, and between them practically equal amounts.

Before the use of paper currency, which consists of promissory notes based upon the credit of all the people, it was different. In that day and time when a government had to borrow money of the goldsmiths and silversmiths, the then bankers, or if it borrowed from individuals, it did so by giving its promissory notes, called bonds, in exchange for gold and silver coin. Today when this Government borrows it does not receive gold and silver coins but merely legal tender, promissory notes, or tokens of its own credit and pays tribute to a privately owned institution for the privilege of using its own promissory notes or credit tokens. To illustrate by putting it in a simplified form, if the Government wishes to borrow a billion dollars, the Treasurer of the United States, the agent of the people, orders its Bureau of Engraving and Printing to print two classes of promissory notes, both of which he signs. One set is called currency and draws no interest and by statute is made legal tender. The other set is tax exempt and draws interest, say 4 percent, called bonds. Both sets of these promissory notes being signed by their agent are based upon the credit of all the people.

Stripped of red tape, what the Treasurer in effect then does is to take these two sets of promissory notes, of a billion dollars each, across the street to a privately owned institution, called a Federal Reserve bank, and has it to make a book notation and then takes both sets of notes over to the Treasury and goes to taxing the people \$40,000,000 annually and turns it over to this privately owned institution, called a Federal Reserve bank, as a pure gift.

On the other hand, let us look at the resulting effect when the Government borrows its own credit tokens from individuals and nonbanking corporations. Keep in mind paper currency is nothing more nor less than legal tender promissory notes, that do not draw interest, signed by the Secretary of the Treasury, obligating the people to pay them in monetary metal. The Secretary of the Treasury, being in need of funds or legal-tender notes, has printed a billion dollars of promissory notes, called bonds, tax exempt, and drawing 4-percent interest, and signs them, binding every man, woman, and child in the Nation to pay them. He then goes with these tax-exempt promissory notes, called bonds, drawing 4-percent interest to nonbanking institutions and individuals who hold the Government's legal-tender promissory notes that are taxable, and draw no interest, and they gladly exchange them for the billion dollars of bond promissory notes which draw interest and are tax exempt. And the people are taxed forty million a year to pay this interest.

And thus the vicious circle goes round and round. The more interest-bearing tax-exempt bonds the less currency for industry, the higher the purchasing power of the dollar, the less taxes to be paid by, and the more tribute to be paid to the creditor class. For the producing debtor class it means lower prices and higher taxes. You cannot blame the money changers for taking advantage of a law that invites them to do such a thing. It is but natural for them to do so. But what of us, the Representatives of the people, to permit such a law? When necessary to meet the obligations of the Government, why not permit the Secretary of the Treasury to issue legal tender, taxable, noninterest-bearing promissory notes—that is, paper currency—and use the income tax as a lever to stabilize the purchasing power of the dollar on the wholesale commodity price level of 1926, which is practically the same as was its purchasing power as shown by the wholesale commodity price level during the period from 1917 to 1929, when the great bulk of the indebtedness of the people was contracted.

If an individual were to do such a thing as this that the Government does, he would promptly be tried and convicted of insanity and a guardian appointed to look after his affairs, and yet that is the way we, as trustees, are looking after the affairs of the people.

"To coin money"—that is, to make money—"and to regulate the value thereof"—that is, to adjust and stabilize the value thereof—is a solemn demand of Congress by the Constitution. In the manner of the exercise of that power largely depends the happiness and prosperity of the people.

"To regulate the value of money"—that is, to cause it to reflect prices in response to the exchange values of supply and demand in relation to the purchasing power of the monetary unit, the dollar, as shown by the wholesale commodity price level covering the period taken as a standard. This responsibility Congress has shirked and is permitting a small group of Napoleonic money changers to manipulate it. And today, when the people in their anguish and distress are appealing to us to be delivered from their debt-ensnared bondage, we hear the inspired cry, "Don't tinker with the currency." And it comes from the lips of some who are honest but ignorant, and then from the lips of others who know better but are ever zealous to do the will and "crook the hinged knee" to the lords of Mammon. This cry is meant to intimidate and deter you from doing your duty. By it they mean, "do not regulate the value of money", do not stabilize the purchasing power of the dollar", for that would end its manipulation and dethrone its manipulators and reclaim to the Representatives of the people a most vital constitutional right. What think you of a shepherd that would surrender his guardianship over his flock to a pack of hungry wolves? What think you of a Congress, in violation of the Constitution, surrendering its right "to regulate the value of money" in the interest of the people and turning it over to a small aggregation of money barons that they might manipulate it to serve their greed?

By inflating and deflating credit and thereby decreasing and increasing the purchasing power of the dollar, they have garnered unto themselves the wealth of the country. And this they have been enabled to do by embezzling congressional power and tinkering with the currency. Drunk upon this embezzled power, is it any wonder that they fight and spread propaganda through press and air to retain control of the financial heart of the Nation? Others unlawfully tinker with the currency, but you, and you alone, are annointed by the Constitution to regulate the value of the currency, and I beg of you, my colleagues, not to be longer recreant in performing that duty.

Let us heed not those truculent tongues that shout "Don't tinker with the currency." It is but the voice of Mammon echoing down the centuries; the prayer of those who worship at the shrine of the golden calf. Today they feast with Belshazzar, but tomorrow—well, the conditions today in this country are similar to those that existed in France and Russia preceding the world's two most frightful revolutions. Incognito, we have in America Robespierres, Lenins, and Stalins, impatient to lead the storm. God grant this Congress the wisdom and courage to act before it is too late. [Applause.]

Mr. PATMAN. Mr. Chairman, will the gentleman yield? Mr. CROSS of Texas. Yes.

Mr. PATMAN. The gentleman is a distinguished member of the Committee on Banking and Currency. Will he tell us what opportunity we may have to vote on the bill which the gentleman has so ably discussed?

Mr. CROSS of Texas. If it is in my power and in the power of the majority of that committee, I think the gentleman will have a chance at this session of Congress.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. TABER. Mr. Chairman, I yield 30 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Chairman, I ask unanimous consent that House Joint Resolution 66, which I send to the desk, be read by the Clerk in my time.

The CHAIRMAN. Without objection, the Clerk will read the resolution.

There was no objection.

The Clerk read as follows:

#### House Joint Resolution 66

Proposing an amendment to the Constitution of the United States Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein). That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

## "ARTICLE —

"SECTION 1. The United States shall have power to lay and collect taxes on income derived from securities issued, after the ratification of this article, by order or under the authority of any State, but without discrimination against income derived from such securities and in favor of income derived from securities issued, after the ratification of this article, by or under the authority of the United States or any other State.

"SEC. 2. Each State shall have power to lay and collect taxes on income derived by its residents from securities issued, after the ratification of this article, by or under the authority of the United States, but without discrimination against income derived from such securities and in favor of income derived from securities issued, after the ratification of this article, by or under the authority of such State."

Mr. TREADWAY. Mr. Chairman, it is well settled by decisions of the United States Supreme Court going back to the earliest days of the Union that neither the States, on the one hand, nor the Federal Government, on the other, can tax the means and instrumentalities employed by each other in carrying on the functions of government.

The earliest decision in point is that of *McCulloch v. Maryland* (4 Wheat. 316), decided in 1819, in which the Court, speaking through the great Chief Justice Marshall, held that the State of Maryland was without power under the Constitution to tax the notes issued by the Bank of the United States. It was in connection with this decision that the Chief Justice uttered his famous and often-quoted remark that "the power to tax involves the power to destroy."

Ten years later, in the case of *Weston v. The City Council of Charleston* (2 Pet. 449), the Court held that the City Council of Charleston, S. C., was without power to tax securities issued by the United States. Chief Justice Marshall also wrote the opinion in that case.

In other cases the Federal Government has been restrained from taxing State and municipal bonds. See *U. S. v. Railroad* (17 Wallace 322); *Pollock v. Farmers' Loan & Trust Co.* (157 U. S. 429); and *Metcalf & Eddy v. Mitchell* (269 U. S. 514).

Thus, while the framers of the Constitution made no provision therein prohibiting one sovereignty from taxing the means and instrumentalities of the other, the Supreme Court has read such an inhibition into the fundamental law of the land. Speaking of this matter in the case of *Collector v. Day* (11 Wallace 113), decided in 1870, the Court said:

It is admitted that there is no express provision in the Constitution that prohibits the general Government from taxing the means and instrumentalities of the States, nor is there any prohibiting the States from taxing the means and instrumentalities of that Government. In both cases the exemption rests upon necessary implication, and is upheld by the great law of self-preservation; as any government, whose means employed in conducting its operations, if subject to the control of another and distinct government, can exist only at the mercy of that government.

As a consequence of the decisions to which I have just referred, all State and municipal securities are exempt from Federal taxation, and all Federal securities are exempt from State and municipal taxation. Moreover, in order to put all governmental issues upon an equal footing, as well as for the purpose of securing the advantage of lower interest payments, the States and the Federal Government generally have exempted their own bonds from their own taxes. In the case of the Federal Government, some securities are issued on a wholly tax-exempt basis, while in the case of others the income therefrom is exempt from the normal income tax but not the surtax.

The total interest-bearing indebtedness of the Federal, State, and local Governments is estimated to be approximately \$47,600,000,000 at this time. The annual interest charge on this amount is estimated to be approximately \$1,770,000,000. The larger part of this latter sum is entirely free from Federal and State income taxes, although it is true that some of the Federal bonds are subject to surtaxes. Also, practically all of the bonds are subject to estate and inheritance taxes, and to the income tax insofar as a profit is realized upon the sale thereof.

Mr. Parker, chief of staff of the Joint Committee on Internal Revenue Taxation, has furnished me some interesting

data. On January 1, 1935, the total interest-bearing debt of the United States, outstanding, amounted to \$27,944,037,950, of which amount \$14,010,962,150 was subject to surtax, and \$13,933,075,800 was wholly tax exempt as to both income and surtax. It appears that the average annual interest charge on this Federal debt will be approximately \$835,000,000, indicating an average interest rate of slightly more than 3 percent.

From incomplete data available, the staff of the joint committee estimates the present State and local indebtedness to be about \$19,680,000,000. The annual interest charge on this sum is probably not less than \$935,000,000, indicating an average interest rate of 4½ percent.

It has already been pointed out that our present annual interest charge on the total Federal, State, and local debt will amount to approximately \$1,770,000,000. In 1932 this interest charge amounted to considerably less—probably to about \$1,447,000,000. Nineteen hundred and thirty-two is the latest year on which we have complete income-tax statistics, and in this year we can account for the following amounts of wholly or partially tax-exempt interest on the income-tax returns:

|   |               |
|---|---------------|
| 1. Individuals with net income of \$5,000 and over:   |               |
| Interest on State and local bonds.....  | \$155,226,524 |
| Interest on wholly exempt United States bonds.....  | 47,457,511    |
| Interest on partially exempt United States bonds (including farm-loan bonds).....                       | 34,881,888    |
| Subtotal.....   | 237,565,923   |
| 2. Corporations—all: Interest on Federal, State, and municipal bonds.....                               | 554,249,951   |
| 3. Individuals with \$5,000 gross but no net income: Interest on partially exempt Government bonds..... | 4,234,789     |
| Grand total.....  | 796,050,663   |

It is apparent, therefore, that the actual figures on the 1932 income-tax returns account for only \$796,050,663 out of a total of probably \$1,447,000,000 of wholly or partially tax-exempt interest paid out in that year. While we can account for some of this difference of \$651,000,000 as going to the individuals with net incomes of less than \$5,000, to tax-exempt corporations, and to foreign individuals and corporations, it must be admitted that the larger portion of the difference probably is the result of the tax-exempt interest not being reported on the returns. However, the figures seem sufficiently complete to form a basis for estimates.

It is believed from the figures already given that corporations hold about 65 percent of the total of Federal, State, and local obligations.

The wholly and partially tax-exempt interest reported by individuals with net incomes of over \$5,000 has been computed for the years 1924, 1927, 1929, 1930, and 1932. This interest has been broken up into two groups: (1) United States securities and Federal farm-loan bonds; and (2) State and local obligations. The interest derived from each of these groups has been further classified so as to show the amount received in each case by individuals with net incomes of over \$5,000 and not over \$25,000, by individuals with net incomes of over \$25,000 but not over \$100,000, and by individuals with net incomes of over \$100,000. These facts are shown in the following five tables covering, respectively, the 5 years already named:

Wholly and partially tax-exempt interest reported by individuals with net incomes of over \$5,000, by net-income classes

| Net income class        | United States securities and Federal farm-loan bonds | Percent of total | State and local obligations | Percent of total | Total        |
|-------------------------|--|------------------|-----------------------------|------------------|--------------|
| 1924:                   |  |                  |                             |                  |              |
| \$5,000-\$25,000.....   | \$41,530,723   | 65               | \$22,295,874                | 35               | \$63,826,597 |
| \$25,000-\$100,000..... | 42,885,531   | 48               | 46,548,494                  | 52               | 89,434,025   |
| Over \$100,000.....     | 35,558,241   | 42               | 49,803,812                  | 58               | 85,362,053   |
| Total.....              | 119,974,495  | 51               | 118,648,180                 | 49               | 238,622,675  |

Wholly and partially tax-exempt interest reported by individuals with net incomes of over \$5,000, by net-income classes—Con.

| Net income class        | United States securities and Federal farm loan bonds | Percent of total | State and local obligations | Percent of total | Total              |
|-------------------------|--|------------------|-----------------------------|------------------|--------------------|
| <b>1927:</b>            |  |                  |                             |                  |                    |
| \$5,000-\$25,000.....   | \$39,417,257   | 57               | \$30,036,240                | 43               | \$69,453,497       |
| \$25,000-\$100,000..... | 35,550,097   | 41               | 51,589,027                  | 59               | 87,139,124         |
| Over \$100,000.....     | 39,579,448   | 36               | 70,710,492                  | 64               | 110,289,940        |
| <b>Total.....</b>       | <b>114,546,802</b>                                   | <b>43</b>        | <b>152,335,759</b>          | <b>57</b>        | <b>266,882,561</b> |
| <b>1929:</b>            |  |                  |                             |                  |                    |
| \$5,000-\$25,000.....   | 32,222,421   | 53               | 29,018,872                  | 47               | 61,241,293         |
| \$25,000-\$100,000..... | 31,244,723   | 37               | 54,317,645                  | 63               | 85,562,368         |
| Over \$100,000.....     | 36,920,846   | 30               | 86,216,837                  | 70               | 123,137,683        |
| <b>Total.....</b>       | <b>100,387,990</b>                                   | <b>37</b>        | <b>169,553,354</b>          | <b>63</b>        | <b>269,941,344</b> |
| <b>1930:</b>            |  |                  |                             |                  |                    |
| \$5,000-\$25,000.....   | 33,133,796   | 46               | 38,589,450                  | 54               | 71,723,246         |
| \$25,000-\$100,000..... | 30,699,843   | 33               | 61,954,130                  | 67               | 92,653,973         |
| Over \$100,000.....     | 25,608,143   | 26               | 72,297,538                  | 74               | 97,905,681         |
| <b>Total.....</b>       | <b>89,441,782</b>                                    | <b>34</b>        | <b>172,841,118</b>          | <b>66</b>        | <b>262,282,900</b> |
| <b>1932:</b>            |  |                  |                             |                  |                    |
| \$5,000-\$25,000.....   | 39,239,174   | 46               | 45,265,788                  | 54               | 84,504,962         |
| \$25,000-\$100,000..... | 27,997,410   | 30               | 66,681,583                  | 70               | 94,678,993         |
| Over \$100,000.....     | 15,102,815   | 26               | 43,299,153                  | 74               | 58,401,968         |
| <b>Total.....</b>       | <b>82,339,399</b>                                    | <b>35</b>        | <b>155,226,524</b>          | <b>65</b>        | <b>237,565,923</b> |

The following facts may readily be noted from the above tables:

First. The interest received, and hence the amount of Federal securities held, by all our individual taxpayers with net incomes of over \$5,000 has steadily declined. In 1924 the interest received amounted to about one hundred and twenty million; in 1927, to about one hundred and fifteen million; in 1929, to about one hundred million; in 1930 to about eighty-nine million; and in 1932, to about eighty-two million; a decline of 32 percent from 1924 to 1932.

Second. The interest received, and hence the amount of State and local obligations held, by all our individual taxpayers with net incomes of over \$5,000 has somewhat increased. In 1924 the interest received amounted to about one hundred and nineteen million; in 1927, to about one hundred and fifty-two million; in 1929, to about one hundred and seventy million; in 1930, to about one hundred and seventy-three million; and in 1932, to about one hundred and fifty-five million; an increase of 31 percent from 1924 to 1932.

Third. The class of taxpayers with net incomes of from \$5,000 to \$25,000 do not find the Federal bonds unattractive. In 1924, 65 percent of their interest was received from such bonds and 35 percent from State and local bonds, while in 1932 the Federal interest received amounted to 46 percent and the State and local interest to 54 percent.

Fourth. In the case of the middle class of taxpayers with net incomes between \$25,000 and \$100,000, the proportion of Federal to State and local interest received is much less than in the smaller class and the shift to State and local investment greater. For instance, in 1924, of the total interest received by this class, 48 percent came from Federal securities and 52 percent from State and local obligations, while in 1932, 30 percent came from the former source and 70 percent from the latter.

Fifth. In the case of the wealthy taxpayers with net incomes of over \$100,000, the unattractiveness of the Federal issues becomes even more pronounced and the shift to State and local issues still greater. In 1924 this class received 42 percent of their total interest from Federal securities and 58 percent from State and local obligations. In 1932, however, 26 percent came from Federal sources and 74 percent from State and local sources.

It is Mr. Parker's conclusion, from the above facts, that the small taxpayer finds Federal bonds quite as attractive as State and local bonds, because the greater security offered by the former offsets the higher interest rate of the latter. In the case of the larger taxpayers, however, we are

forced to the conclusion that State and local issues are preferred over Federal issues, not because this class of taxpayers desire less security, but because the State and local issues are entirely free from surtax while the majority of the Federal bonds are subject to such tax.

What additional revenue could be secured by subjecting all this interest on the public debt to tax? Based on the data available and the existing tax rates, we believe the maximum revenue which the Federal Government could obtain would not exceed \$180,000,000 annually. Of this amount, about \$100,000,000 would come from individuals and about \$80,000,000 from corporations.

The natural result of this exemption of Federal, State, and municipal bonds from taxation is to narrow the tax base and thereby shift the burden of taxation from the wealthy, who are best able to bear it, to the great masses of our population who have no funds to invest in such securities.

The continued issuance of tax-free securities whereby persons with large funds to invest are enabled to escape all taxation is an unwholesome and shameful feature of our governmental system. While the wage earner and the salaried man will pay an income tax to the Federal Government on the 15th day of March, many a person of means will take much delight over the fact that he does not even have to file a return, although his income may run into millions of dollars. Such a situation should never be permitted to exist in a free country.

I have introduced a joint resolution—House Joint Resolution 66—proposing an amendment to the Constitution to do away with the tax-exemption feature of all future issues of Federal, State, and municipal obligations. Among constitutional lawyers, the weight of opinion seems to be that a constitutional amendment is necessary for this purpose, although some contend that the sixteenth amendment already gives Congress this power.

I cannot agree with this latter position. In the first place, the sixteenth amendment was not proposed for the purpose of extending the Federal taxing power, since Congress already had the power to levy a tax on incomes. On the contrary, its sole purpose was to obviate the necessity of apportioning the income tax among the several States according to population, as is required of all direct taxes imposed by the Federal Government. In several cases construing the sixteenth amendment, the Supreme Court has taken this view—see, for example, *Brushaber v. Union Pacific Railroad Co.* (240 U. S. 1); *Evans v. Gore* (253 U. S. 245). Moreover, it is inconceivable that the States would have ratified the amendment if they had believed that it gave the Federal Government the right to tax State bonds without giving them an equal right to tax Federal bonds.

In view of the apprehension raised by the Supreme Court in the Day case regarding the destruction of one sovereignty by the other through taxation, I should, perhaps, point out that under my proposed amendment the Federal Government could not tax State bonds at a higher rate than it taxed its own. The same limitation would be imposed on the States as regards Federal bonds. Thus there would be no ground for fearing that one would tax the other out of existence.

No one, I think, will deny that the exemption of governmental securities from taxation is a vicious evil which never should have been allowed to gain a foothold. Since it favors the rich as against the poor, it tends to undermine the faith of the people in their Government and gives rise to class feeling. This country was founded upon the principle of equal rights for all and special privileges for none, yet language has been read into the Constitution which, though not intended for that purpose, gives one class of our citizens a privilege which others, more worthy, are unable to enjoy. We should not forget that it was class privileges and exemptions which helped to bring about the French Revolution.

It must be obvious that when one group of our people can take their money and invest it in tax-free securities, their share of the tax burden must be borne by others. I can

make this point a little clearer, perhaps, by using the example of tax-exempt real estate.

Suppose in a city the tax burden is \$1,000,000 and the value of the property subject to taxation is \$100,000,000. The tax is then distributed over the owners of taxable property on the basis of \$1 for each \$100. However, every time any property comes into the hands of tax-exempt organizations, such as churches, schools, colleges, and so forth, the amount of property subject to taxation is reduced, and in order to secure the same amount of revenue as before the rate of tax on the remaining property holders must be increased.

The same situation occurs when the wealthy invest their fortunes in tax-exempt securities. Their wealth is no longer taxable, and the tax that they formerly paid must necessarily fall on the less fortunate classes and be borne by them in addition to the great burden which they already bear.

In times like the present, when the calls upon the Government are so great and when revenues are being sought from every possible source, there is all the more reason for requiring this great tax-free reservoir of wealth to contribute its fair share of the general tax assessment. As it is, we have this paradoxical situation: The more the public debt is increased in meeting the growing cost of government, the more the wealthy are enabled to escape taxation; and as the necessity for tax revenues becomes greater, the property subject to taxation becomes less and less.

The indefinite continuance of the present system is not only unfair to the smaller taxpayer, but it will seriously endanger the revenues of the Federal Government, and of the States and municipalities as well.

While under my proposed constitutional amendment, all future issues of governmental securities would be subject to tax, those now outstanding would continue to be exempt. They have been issued on that basis, and of course it would be unfair to change the terms of the contract at this time. However, new bonds are being issued by the billions, particularly by the Federal Government, and all outstanding issues must some day be retired or reissued. Many are of short-term maturity. Thus, although the revenue from the taxation of these securities would be comparatively small at first, it would constantly increase.

The question is often asked, "How would the States benefit by the adoption of the proposed amendment?" The answer is quite obvious. They would benefit to the extent of being able to tax some \$30,000,000,000 of Federal bonds, while subjecting less than \$20,000,000,000 of their own bonds to Federal tax. Moreover, they could abandon the practice of exempting their own bonds from their own taxes, and thereby expand the property subject to State taxes by a total of approximately \$50,000,000,000. Again, I should point out that this amount would not immediately become subject to taxation, but only as new bonds are issued and outstanding bonds are reissued. Even then, the States would have the advantage over the Federal Government, since the latter is issuing bonds at much the faster rate.

In spite of the apparent unfairness of the present tax exemption, there are many who are opposed to permitting the taxation of governmental securities on the ground that a higher interest rate would then have to be paid which would require additional taxes. The answer, of course, is that even if this be so, the additional taxes will be forthcoming from the great amount of wealth which would be made subject to taxation, and at the same time the tax burden would be distributed among the people in proportion to their ability to pay it.

In any event, it does not necessarily follow that a higher rate of interest will have to be paid in case governmental securities are made taxable. Government bonds, both Federal and State, are the safest form of investment, and will be in demand regardless of the tax feature. They commanded a premium before the income tax was ever enacted, and they will continue to do so.

It is generally conceded that even if increased-interest payments did become necessary, the rate probably would not be increased more than one-half of 1 percent. In return

for this increase in interest payments, the Federal and State Governments would be able to tax the whole amount of the interest paid, which is now free of tax. Thus, if the Federal Government were compelled to increase the interest rate on its wholly tax-exempt First Liberty bonds from 3½ to 4 percent, it would be able to subject the entire 4-percent interest payment to income tax.

In testifying before the Ways and Means Committee in 1922, Dr. Edwin R. A. Seligman, of Columbia University, an acknowledged expert on taxation, made an interesting analysis of this phase of the problem of tax-exempt securities. By an intricate method of calculation, he estimated that if the then outstanding \$30,000,000,000 of tax-exempt securities were made subject to Federal income tax, the revenues would be increased by some \$300,000,000. From this sum, he deducted the additional one-half of 1 percent additional interest charge on the \$20,000,000,000 of Federal bonds then outstanding, amounting to \$100,000,000. He thereby arrived at a net gain of \$200,000,000 to the Federal Government.

While the figures used by Dr. Seligman are somewhat out-of-date at this time, they indicate in a general way that the Government would still be much to the good by abolishing the present exemption.

I do not have any figures showing the possible net benefit to the States, but it can be assumed that they also would gain more in revenue than they would lose in increased interest payments, if any. It would, of course, cost the States nothing in the way of increased interest charges to be able to tax the income received by their citizens from Federal bonds.

The CHAIRMAN (Mr. COOLEY). The time of the gentleman from Massachusetts [Mr. TREADWAY] has expired.

Mr. TABER. Mr. Chairman, I yield the gentleman from Massachusetts 10 additional minutes.

Mr. TREADWAY. On May 3, 1922, after extensive hearings upon the subject, the Ways and Means Committee reported to the House a joint resolution, of which mine is an exact duplicate, providing for the submission to the States of a proposed constitutional amendment, as follows:

SECTION 1. The United States shall have power to lay and collect taxes on income derived from securities issued after the ratification of this article by order or under the authority of any State, but without discrimination against income derived from such securities and in favor of income derived from securities issued after the ratification of this article by or under the authority of the United States or any other State.

SEC. 2. Each State shall have power to lay and collect taxes on income derived by its residents from securities issued after the ratification of this article by or under the authority of the United States, but without discrimination against income derived from such securities and in favor of income derived from securities issued after the ratification of this article by or under the authority of such State.

In its report accompanying the joint resolution the Committee on Ways and Means gave the following reasons for abolishing the system of tax-free securities:

- (1) A large portion of property escapes taxation, thereby causing great loss of revenue.
- (2) It violates the ability, principle of taxation, and unfairly discriminates between taxpayers.
- (3) It impedes private financing.
- (4) It discourages investment in new enterprises.
- (5) It encourages extravagances of governmental agencies.
- (6) It grants a private subsidy to certain interests.
- (7) By withdrawing money from private enterprises it increases the rate of interest required for all enterprises not carried on by the Government and thereby adds to the cost of living.
- (8) It creates social unrest; \* \* \*

Referring to the economics of the present tax exemption, the committee's report further states:

That some benefit is derived in certain directions by the issue of tax-exempt securities drawing a lower rate of interest is not to be denied, but the majority of the committee are satisfied that these benefits are slight compared to the injury inflicted by the present plan.

There is no doubt also that the direct advantage resulting from the issue of a tax-exempt bond to the governmental entity issuing it is usually much exaggerated.

As regards the social factors involved in the present tax exemption, the report of the committee has this to say:

In addition to these economic evils, tax exemptions create a grave danger to our social system and form of government. No principle of taxation is more generally accepted today than that taxes should as a rule be levied in accordance with ability to pay, and all citizens should pay in the same manner. The present condition violates every rule based upon these principles, and while we seek to create, as far as possible, equality in taxation, we find that the Constitution makes it impossible. There should be no privileged class under our Government, but a special privilege is granted to those who invest in tax-exempt securities. This situation is the ground of just complaint and creates discontent and prejudice against people of large means who use a lawful method to lessen their taxes. . . .

On January 23, 1923, the proposed amendment was approved by the House of Representatives by a vote of 223 to 101, which was well over the two-thirds majority required in the case of all constitutional amendments. The resolution then went to the Senate, where it was referred to the Committee on the Judiciary. That committee held extensive hearings on the proposed amendment, but failed to report the resolution to the Senate.

At the beginning of the Sixty-eighth Congress the Ways and Means Committee again reported the proposed amendment to the House, but this time it failed to receive the two-thirds majority necessary for its passage, the vote being 247 in favor to 133 against, with 51 Members not voting.

Since the Sixty-eighth Congress the matter has not been considered by either the House or Senate. However, it is worthy of note that in the Seventy-third Congress the Senate Judiciary Committee, which in the Sixty-seventh Congress prevented action on the proposed amendment, reported to that body Senate Joint Resolution 7, which is identical with the resolution passed by the House in 1923.

In support of the proposed amendment the Senate Judiciary Committee advanced practically the same arguments as are found in the Ways and Means Committee's report in 1922 and 1923. While the other body took no action on the proposed amendment at the last session of Congress, it is encouraging to know that there is strong sentiment in the other body favorable to the discontinuance of further issues of tax-exempt securities.

The Treasury Department for many years has advocated a constitutional amendment permitting the taxing of future issues of Federal and State bonds. In his annual report for the fiscal year 1919 the then Secretary of the Treasury, Hon. CARTER GLASS, now a distinguished Member of the other body, said:

It is intolerable that taxpayers should be allowed by purchase of tax-exempt securities, not only to obtain exemption with respect to the income derived therefrom but to reduce the supertaxes upon their other income and to have the supertaxes upon their other income determined upon the assumption, contrary to fact, that they are not in possession of income derived from State and municipal bonds.

Secretary Mellon, although himself reputed to be one of the world's richest men, strongly urged the abolition of tax-exempt securities. Under date of April 30, 1921, he addressed a letter to the then Chairman of the Ways and Means Committee, Mr. Fordney, in which he said in part:

I suggest for the consideration of Congress that it may also be advisable to take action by statute or by constitutional amendment, where necessary, to restrict further issues of tax-exempt securities. It is now the policy of the Federal Government not to issue its own obligations with exemptions from Federal surtaxes and profits taxes, but States and municipalities are issuing fully tax-exempt securities in great volume. It is estimated that there are outstanding, perhaps, \$10,000,000,000 of fully tax-exempt securities. The existence of this mass of exempt securities constitutes an economic evil of the first magnitude. The continued issue of tax-exempt securities encourages the growth of public indebtedness and tends to divert capital from productive enterprises. Even though the exemptions of outstanding securities cannot be disturbed, it is important that future issues be controlled or prohibited by mutual consent of the State and Federal Governments.

The Secretary's reference to the \$10,000,000,000 in bonds then wholly tax exempt as being "an economic evil of the first magnitude" is of particular significance in view of the fact that the present wholly tax-exempt issues are probably three times that amount.

Under date of September 23, 1921, the Secretary of the Treasury addressed a letter to our former colleague from Pennsylvania, Mr. McFadden, in which he said:

The issue of tax-exempt securities has a direct tendency to make the graduated Federal surtaxes ineffective and nonproductive, because it enables taxpayers subject to surtaxes to reduce the amount of their taxable income by investing it in such securities; and at the same time the result is that a very large class of capital investments escape their just share of taxation.

The Secretary here raised a point which is particularly applicable to the present time, when the maximum income-tax rates reach 63 percent. No man is going to pay such taxes if he can help it, and all he has to do is to invest his fortune in State bonds to escape all Federal tax. We wonder why the income tax is not more productive, particularly in the higher brackets, but the answer is readily available.

In his message to Congress of December 6, 1921, President Harding added his endorsement of the proposal to abolish tax-exempt securities, saying:

Many of us belong to that school of thought which is hesitant about altering the fundamental law. I think our tax problems, the tendency of wealth to seek nontaxable investment, and the menacing increase of public debt—Federal, State, and municipal—all justify a proposal to change the Constitution so as to end the issue of nontaxable bonds. No action can change the status of the many billions outstanding, but we can guard against future encouragement of capital's paralysis, while a halt in the growth of public indebtedness would be beneficial throughout our whole land.

President Coolidge voiced a similar view when in his message to Congress on December 6, 1923, he said:

Another reform which is urgent in our fiscal system is the abolition of the right to issue tax-exempt securities. The existing system not only permits a large amount of the wealth of the Nation to escape its just burden but acts as a continual stimulant to municipal extravagance. This should be prohibited by constitutional amendment. All the wealth of the Nation ought to contribute its fair share of the expenses of the Nation.

Although following the defeat of the proposal by the House in 1924, Congress has taken no further action, the Treasury Department has continued to adhere to its position favoring the elimination of tax-exempt bonds. In the hearings before the Ways and Means Committee held in connection with the 1926 tax revision, the views of the Department are thus reiterated:

Looking at the proposition logically, there is no reason for the existence of tax-exempt securities. There ought to be no refuge to which the wealthy man can go and avoid income taxes at times when the Federal Government needs the money. A constitutional amendment to make these securities taxable should be passed. The Treasury has consistently been the advocate of such reform.

The matter was referred to again in the annual report of the Secretary of the Treasury for 1927, where the following statement is made:

Taking the long-time view of the situation, I believe that the enactment of such a constitutional amendment is desirable, for I consider it inconsistent with our principles of democratic government that our laws be so framed as to permit any class of our citizens to escape their just obligations.

Again, in his annual report for 1930 the Secretary of the Treasury called the attention of Congress to the fact that the Department had previously—

Earnestly recommended the adoption of a constitutional amendment permitting the Federal and State Governments, respectively, to tax securities to be issued in the future.

The present Secretary of the Treasury, Hon. Henry Morgenthau, has joined his predecessors in advocating the adoption of a constitutional amendment to do away with tax-exempt securities. Only last year he made the following statement upon the subject:

The Treasury Department favors as a permanent policy the elimination of the exemption from Federal income tax now accorded to the interest on Federal, State, and municipal securities, insofar as future issues of such securities are concerned.

I consider it very important that when the exemption is eliminated it should be eliminated not only in respect to future issues of Federal securities, but in respect to future issues of State and municipal securities as well. The enactment of legislation requiring Federal obligations to be issued in the future on a fully taxable basis, in competition with wholly tax-exempt securities originating elsewhere, would be likely to react unfavorably on the market for Federal securities, to increase the cost of the Government's borrowing, and to complicate our financing operations.

I am advised that a constitutional amendment would be required to enable the Federal Government to tax the interest on State and municipal securities. In my judgment, such an amendment should

be drawn on a reciprocal basis; the States should be permitted to tax the income from Federal securities and the Federal Government to tax the income from State and municipal securities. I favor such an amendment.

The amendment which I have proposed meets these requirements laid down by the Secretary. In fact, it was originally drafted in 1922 in cooperation with the Treasury Department.

You will thus see that there is absolutely nothing partisan in the suggestion I am offering. This is a historical fact from 1922 on down, or even before that. Hon. CARTER GLASS, in 1919, advocated it, and from that time on this has been advocated by the Treasury.

Under date of January 12, I addressed a letter to the Chairman of the Committee on the Judiciary requesting that a hearing be held upon my joint resolution, and on the 15th I received from him a very courteous reply in which he said that he would bring the matter to the attention of the committee. I therefore expect the subject to be given early consideration, in order that the Congress may have a full understanding of the various phases of this problem.

The continued growth of tax-exempt securities presents not only a serious economic question but a grave social problem as well. From the standpoint of the smaller taxpayers, the present system is both indefensible and inequitable. From the standpoint of the Federal and State Governments, it constitutes a serious threat to the revenues. The longer that consideration of the subject is delayed, the less property there is subject to taxation and the more the tax burden is shifted from the rich to the poor.

The United States today is the only major country in which Government securities can be issued on a tax-exempt basis. With at least two recent Presidents definitely committed to the proposition of doing away with this exemption, and with the financial agency of the Government on record over a long period of years as being earnestly in favor of the proposal, I urge upon the Congress the desirability of submitting to the States at the earliest possible moment the amendment which is embodied in House Joint Resolution 66 now pending before the Judiciary Committee. If I correctly judge the sentiment of the House, I feel sure that if the amendment is reported it will receive well over the two-thirds majority necessary for its passage. [Applause.]

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. CHRISTIANSON. Does the gentleman know whether the Supreme Court of the United States, since the adoption of the sixteenth amendment, has passed upon the question whether Congress has power under that amendment to tax the income from securities of States and their municipal subdivisions?

Mr. TREADWAY. I am unable to definitely answer the question, but it is my impression that the question has never been before the Supreme Court since the sixteenth amendment was adopted.

Mr. CHRISTIANSON. So there is a possibility that we could save delay if, in addition to proposing to the States an amendment to the Constitution, we should adopt a statutory change in our income-tax law?

Mr. TREADWAY. I have thought of the statutory change myself, but in view of the absolute record that a constitutional amendment must be adopted, I think it would be very unfortunate to delay an effort for a constitutional amendment by adopting statutory regulations and then having it go to the Supreme Court and have the Court bear out its previous decisions.

Mr. CHRISTIANSON. I would not suggest any such delay. As a matter of fact, I offered a resolution 2 years ago proposing a constitutional amendment. I introduced one this year also; but 2 years ago, in addition to introducing a resolution for a constitutional amendment, I offered a bill which, if enacted, would reach this source of income by statutory law if it were sustained by the courts.

Mr. TREADWAY. I think the gentleman will agree with me that if we skate on as thin ice as the possibility of a new statute, it would undoubtedly immediately go to the Court,

and might involve us in all kinds of trouble for the time being.

I wish to say further, however, I agree there is that possibility. Nevertheless, in view of all the studies that have been made by the Treasury Department, and from the opinions of our Presidents, and so on, I think it would be better for us to go about it in the right and proper manner. There are now before the Ways and Means Committee several bills covering the very idea which the gentleman mentions, and possibly we may come to their consideration.

Mr. CHRISTIANSON. I would not suggest anything that would make for delay, but I thought we might shoot this fellow by using both barrels of the gun.

Mr. TREADWAY. That is good.

Mr. CHRISTIANSON. I also thought, and still think, that there is nothing in the Constitution preventing Congress, by statute, from authorizing the States to tax interest income from Federal securities.

Mr. TREADWAY. The only difficulty would be muddying the waters a little bit, with interest in the subject matter defeated.

Mr. GIFFORD. Will not the gentleman let me buttress his argument by reading a very brief excerpt from that debate in 1922?

Mr. TREADWAY. Would not the gentleman from Massachusetts be kind enough to insert it as part of his remarks?

Mr. GIFFORD. It is brief; I should like to read it now as part of the general discussion.

Mr. TREADWAY. Very well.

Mr. GIFFORD. I read:

The National Government, after the adoption of this amendment, will probably not issue any more bonds in large quantities for a good many more years to come. The States, counties, and municipalities will continue issuing bonds, the income from which the Federal Government can tax without the States being able to collect a tax in anything like a proportionate amount on Federal bonds. Few States have an income-tax law. Counties, districts, and cities probably can never have an income-tax law, and must bear the disadvantage of having their bonds taxed by the Federal Government without any corresponding benefit to them.

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, the gentleman from Massachusetts is the ranking minority member of the Ways and Means Committee. Would not the gentleman from New York yield him a little more time? There are a number of us who wish to ask questions of the gentleman.

Mr. TABER. Mr. Chairman, I yield 5 additional minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Chairman, I understood my colleague to read a statement to the effect that very few bonds would be issued in the future. Was that sentence in there?

Mr. GIFFORD. Yes.

Mr. TREADWAY. Who made that remark?

Mr. GIFFORD. I read it because of the irony of it.

Mr. TREADWAY. I join with the gentleman in that feature.

Mr. Chairman, I now yield to the gentleman from Texas.

Mr. BLANTON. Ever since I have been here I have wanted to see some such resolution as this passed, that would remove the exemption from tax-exempt securities. The gentleman from Massachusetts has been in Congress for 22 years, I believe. Am I right?

Mr. TREADWAY. The gentleman is correct.

Mr. BLANTON. He has been a distinguished member of the Ways and Means Committee for how many years?

Mr. TREADWAY. Seventeen, I think.

Mr. BLANTON. He is now the ranking minority member of the Ways and Means Committee; and if the minority were in power he would be the chairman of the committee; is not that so?

Mr. TREADWAY. Well, the gentleman is making assumptions.

Mr. BLANTON. Under the operation of the regular seniority rules, that would be the case. Now, why is it that with so distinguished a Member on the Ways and Means Committee as the gentleman from Massachusetts in favor of a proper resolution to tax all tax-exempt securities, when

Presidents have been in favor of it, why is it we cannot pass it here in Congress where 95 percent of the Members would vote for it? What is keeping it back every year?

Mr. TREADWAY. I yield to my friend from Texas to answer his own question; I cannot answer it.

Mr. BLANTON. Is the gentleman going to allow the same thing to keep this bill from passing?

Mr. TREADWAY. I may say to the gentleman from Texas that I am using every ability I have, mental and physical, to get it through.

Mr. BLANTON. Let us get after this business from both sides of the aisle and pass it this year.

Mr. TREADWAY. Will the gentleman help me get it through?

Mr. BLANTON. In every way on God's earth the gentleman can think of.

Mr. GIFFORD. If the gentleman will yield further, ask the gentleman from Texas how he voted on it in 1922.

Mr. TREADWAY. I do not want to embarrass the gentleman.

Mr. BLANTON. Oh, no vote I ever cast will embarrass me. I have been against tax-exempt securities for 18 solid years. My friend is referring to the Green bill in 1923.

Mr. GIFFORD. The gentleman from Texas voted against it that time.

Mr. BLANTON. Yes; I voted against the Green bill in 1923, but the gentleman from Cotuit does not know what he is talking about. That Green bill was a makeshift got up by Ogden Mills, whose family owned several hundred million dollars in tax-exempt securities, and it was approved by Andy Mellon who, with various members of his family, owned several hundred million dollars in tax-exempt securities, and the Green resolution would not have reached one single dollar of the income then being drawn by these multimillionaires. Naturally, I voted against it. And in voting against it, I had with me, voting as I did, such leading Democrats as Finis Garrett, of Tennessee, our majority leader; Jack Garner, who is now Vice President of the United States; Mr. Pou, then Chairman of the Committee on Rules; Mr. Buchanan, our present Chairman of the Committee on Appropriations; Connally, Hayden, and Byrnes, who are now Senators; Mr. Doughton, our present Chairman of the Ways and Means Committee; Jones, Lanham, Mansfield, Rayburn, Sanders, Sumners, and other colleagues from Texas; Mr. McSwain, Mr. Oliver, Mr. Rankin, Mr. Lea, Mr. Steagall, Mr. Vinson of Georgia, and other very prominent Democrats.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. CULKIN. When the present Secretary of State, Mr. Hull, was a Member of the Senate, he introduced a resolution similar to that the gentleman is speaking of now. Does the gentleman know whether or not anything was done with it?

Mr. TREADWAY. I referred to what the Senate did in my remarks; and the gentleman will find it in the Record tomorrow. Action was taken in the Senate in the Seventy-third Congress.

Mr. CULKIN. That was the Hull resolution.

Mr. FOCHT. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. FOCHT. Did the gentleman mention Pennsylvania in the course of his remarks?

Mr. TREADWAY. No; my colleague did.

Mr. FOCHT. In considering this resolution, has the gentleman contemplated what will ultimately result from the principle of double taxation? And is not that the reason for the opposition: Double taxation?

Mr. TREADWAY. I think if we could get rid of double taxation as between the Federal Government and the State governments, this would be a much better country in which to live; but at present it is hopeless to think we can accomplish that.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. HEALEY. My colleague has made a very splendid speech and I find myself in accord with many of his views, but I should like to ask him if it is not his opinion that in the final analysis removal of this wealth from taxation has resulted, especially in residential communities, in the poor little home owner having to bear an almost intolerable burden?

Mr. TREADWAY. The gentleman is absolutely correct; and I think I illustrated the case of the home owner in the example I gave of the removal from taxation of tangible property such as real estate. In such instances the property of religious organizations, schools, colleges, and so forth, which are exempt from taxation, throws, to the extent of the taxes represented, that additional burden onto the rest of the community. There is no question about that feature of it. [Applause.]

[Here the gavel fell.]

Mr. ARNOLD. Mr. Chairman, I yield 20 minutes to the gentleman from Ohio [Mr. HARLAN].

Mr. HARLAN. Mr. Chairman, I always listen with a great deal of interest to the remarks of the distinguished gentleman from Massachusetts who just spoke, for they are always scholarly and show a great deal of preparation. Last Thursday, January 17, however, the same gentleman was discussing the reciprocity treaties and the reciprocity bill, and I do not believe that part of that very carefully prepared speech was quite up to standard. It is upon that issue I wish to discuss the matter before the Committee today.

I addressed a question to the gentleman at that time as follows:

Just as a matter of information, I wonder if the gentleman would include in his remarks in listing the concessions that we have made to Cuba the concessions that Cuba has made to us?

His answer to that was:

I am interested in our people, not the Cuban folks.

Now, that answer may have meant something to the gentleman who made it, but it certainly did not mean anything to me. Fearing that it might not have meant anything to the Committee, I thought it would be well at this time to discuss some of the concessions which Cuba made to the United States.

Mr. TREADWAY. Will the gentleman yield for a question?

Mr. HARLAN. I yield to the gentleman from Massachusetts.

Mr. TREADWAY. Relative to my answer to the gentleman's question, may I say I was carrying on my remarks in a chronological manner. I did not intend to be discourteous, and the gentleman I am sure appreciates that fact. I could add that the agreement arrived at under the reciprocal treaty between Cuba and the United States is a matter of public record, and, of course, it is very easy to find, and perhaps the gentleman is going to quote from the record the articles of interest.

Mr. HARLAN. I accept the gentleman's explanation. I know the gentleman meant no discourtesy; however, the intent of the remark was so absolutely devoid of reason to me in discussing such a question that I felt it merited discussion at this time.

It is very much like a merchant who complains constantly that his customers are taking away his merchandise and not considering or discussing the amount of money which he got for the merchandise. In the remarks which the gentleman from Massachusetts [Mr. TREADWAY] placed in the Record he included all of the concessions that the United States made to Cuba. He included the trade between Cuba and the United States, but said not a word as to what we had gained in exchange. I feel that that is not a fair discussion, even allowing for the intense political angle to the argument. For this reason, I wish to go over some of the advantages that the United States gained from this treaty.

In the first place, Cuba agreed in this treaty not to increase the duty on any American produce not mentioned in the treaty. She agreed to reduce a number of consumption taxes, which are as harmful as tariffs. She accepted a very definite

quota on her exports of sugar to us, so as not to injure our producers. She reduced the tariff on lard from \$9.18 to \$2.73, and this is to be again reduced to \$1.45 in September of 1936. She removed the consumption tax on lard, amounting to \$1 per 100 pounds. On crude vegetable oils, such as cottonseed and similar oils we produce, the tariff was reduced from \$4.36 to 88 cents. On refined vegetable oils from \$6.45 to \$1.36. In addition to that, Cuba gave oils coming from the United States a preference over those of other countries of 35 percent on the crude and 30 percent on the refined. She removed the consumption tax on American flour and gave a substantial preference on American flour. On pork she reduced the tariff from \$6.54 a hundred to \$4.09 a hundred; bacon and smoked pork from \$7.63 to \$5.45 per hundred; ham, \$8.72 to \$5.45 per hundred; potatoes, \$1.81 to 91 cents per hundred. And so on down the line.

The last item involved was cigarettes. Cuba reduced the tariff on American cigarettes so that cigarettes, which were previously selling in Habana for 75 cents a package, will now be sold at 25 cents a package. She cut the tariff in half on automobiles.

May I give a summary of what has happened since this reciprocity treaty went into effect. The gentleman from Massachusetts was crying about the great imposition that had been imposed upon our agricultural interests. The total value of agricultural products exported by us to Cuba, since these concessions were granted by Cuba, was \$1,018,000 plus in September, as compared with \$600,400 the month before, and \$448,000 in September a year ago. In other words, we almost doubled our exports on these particular commodities.

On the nonagricultural produce, in the first month the value of the articles mentioned, including automobiles, canned salmon, and a lot of commodities like that, increased from \$742,000 in August to \$830,000 in the following month. To show the effect, Mr. Chairman, of good will in international trade, and this is just good will alone, we so obtained the good will of the people of Cuba by this act that we increased our export on things not specifically mentioned at all in the treaty. The total exports on commodities not changed in rate were \$2,466,000 in September as against \$1,835,000 the month before, or an increase of 34 percent.

The total exports were increased in September 1933 from \$1,903,000 compared to September 1934 of \$4,380,000. October 1934, as compared with October the year before, they went from \$1,644,000 to \$4,744,000. In November 1933, as compared with 1934, our trade increased from \$2,005,000 to \$4,213,000.

Mr. Chairman, we cannot look at one side of this picture and say that the United States has not gained anything. We have gained in good will, not only as far as Cuba is concerned, but we have gained good will in the whole of Latin America. Our trade outside of these treaties has doubled on practically all of our exports. The situation between the United States and Cuba is very much the same as it is between the United States and many other countries. We have peculiar conditions under which we may manufacture and grow certain commodities at a great profit. Cuba has peculiar conditions under which she can produce certain things at a great profit. Before the passage of the Grundy tariff we were exporting a great deal of pork to Cuba. We put an additional tariff on Cuban sugar and Cuba came back with an additional tariff on pork.

Now, we cannot very profitably grow sugar. Sugar to Cuba is the most productive crop, and they can grow it down there at the greatest profit of anywhere in the world. However, they cannot grow pork. We can grow pork profitably. Our farmers can make more money by converting corn into pork than almost anything else they grow in the field. Cuba did produce some pork down there, but it was a very poor imitation. They continued to eat this imitation food because we would not take their sugar. The climate down there is not suitable for the production of pork. Ours is not adaptable for the growing of sugar. When we enter into this reciprocity treaty, we open the Cuba market to the American farmer for the sale of hogs, bacon, and lard to Cuba, and in exchange we take her sugar. The American

farmer is not going to lose anything by producing and selling those things out of which he can make the most money.

Mr. MICHENER. Will the gentleman yield?

Mr. HARLAN. I yield to the gentleman from Michigan.

Mr. MICHENER. The gentleman means that the sugar grower will lose but the pork grower will benefit?

Mr. HARLAN. In practically every case I know of, certainly in the Middle West, the sugar grower and the pork grower is the same. He can simply transfer from raising sugar beets to raising corn. That is all there is to the matter.

Now, Mr. Chairman, what was the condition that brought about the necessity for this reciprocity treaty with Cuba?

In 1924 Cuba was our sixth best customer. In 1933 Cuba was our sixteenth best customer. Our exports to Cuba had declined 89 percent and our imports had declined 63 percent. In 1924 two-thirds of Cuba's imports came from the United States; in 1933 a little more than one-half. In 1924 four-fifths of her exports went to the United States, and in 1933 it was reduced to two-thirds.

In other words, this country, that was our natural customer and our neighbor, had its profitable trade going into Europe and the South American countries. We did not have the sense to keep our ports open for this influx and outgo of a most profitable nature. Now this has been readjusted.

The whole thing is just a reflection of the condition the United States had allowed itself to get into during the depression. During that time world trade had dropped two-thirds of its value from 1929 to 1933. During this same time, however, our foreign trade had dropped three-fourths of its value.

In other words, we had lost a greater proportion of the world trade than other nations. Why? Because other nations were engaging in reciprocity treaties. They were fixing quotas, they were having exchange pools and everything else to boost their trade, while we were still using the horse-and-wagon methods we had used before in handling our trade protection through tariffs and nothing else, and the rest of the world was not only taking our trade away from us in our neighborhood here, but every other place as well.

I should like to go through the remarks of the gentleman from Massachusetts and comment a little more on some of his other statements. He said this:

The State Department does not hope to get a balance of trade in our favor, because that would be virtually impossible. We simply increase our purchases in Cuba, and piously hope that Cuba will buy more from us. In the end, instead of spending \$2 in Cuba for every dollar of trade we receive in return, we probably will be spending 3 or 4 dollars.

What a puerile, childish statement this does seem to be, with the utmost respect for the gentleman who made it. Certainly, we can never sell as much in Cuba in merchandise as Cuba sells to us. Why? Because we have extensive investments in Cuba and this must come back in the form of dividends. We do a lot of hauling for Cuba and that must come back in the form of dividends and it is because of the fact that Cuba has heavy foreign investments in their country and because she buys service from other countries that she is one of those countries on the globe that will always have a so-called "favorable balance of trade." We, in this country, during the last few years, have always been talking so much about our favorable balance of trade. We had a lot of tourists going to Europe spending money. We were paying dividends to foreign countries. We were hiring foreign countries to haul our goods and paying out for service and, naturally, we had to sell more than we could buy, because those bills had to be paid. We continued to have a favorable balance of trade as long as we lent money and there was no payment. Let Europe begin to pay our loans and our favorable balance of trade will disappear like a mist over a marsh at sunrise. We will never sell to Cuba as much as we buy from her unless we stop investing in Cuba and unless we also stop hauling Cuba's goods and rendering other kinds of service. We will always have a favorable balance of trade as long as we continue to lend money to Europe and they do not pay it back, as long as

we continue to send tourists over there and as long as we continue to buy their hauling.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. HARLAN. I may get a little more time, and if so, I shall be pleased to yield to the gentleman.

The gentleman from Massachusetts also made this statement:

The preliminary negotiations are carried on in secret, behind closed doors. The public has no knowledge of what duties foreign nations seek to have reduced, nor of what concessions our representatives seek in return. The first notice given consists in an announcement by the State Department that negotiations are under way with a certain country.

I do not believe the gentleman could have made a sincere investigation of the way these treaties are negotiated before he made these remarks.

In the first place, our negotiators call in from the countries with which a reciprocity treaty is to be negotiated, our State and commercial representatives. They find out in a general way what commodity that country would like to sell to the United States and what she could sell to the United States. We get the picture of the foreign country in this way, just as they do with respect to us. Then we prepare a notice which is sent to the press, open to anyone who desires to see it, not only giving the reasons the treaty is desired, but giving every commodity that we trade with in that country, every commodity we buy and every commodity we sell. This is sent through the press to everybody who manufactures these commodities and they are all invited to come in and present, first, their written briefs, and then their oral arguments, every one of them who so desires is represented.

I am going to include in my remarks a summary of the notices that were sent out to the industries in the United States in negotiating the last treaties, with the dates given.

DEPARTMENT OF STATE,  
January 16, 1935.

Trade agreements calendar

| Country   | Date of issuance of notice | Latest date for submitting written statements | Date for oral presentation of views |
|---|----------------------------|---|-------------------------------------|
| Brazil.....   | Aug. 31                    | Oct. 15                                       | Oct. 22                             |
| Haiti.....  | do.....                    | Oct. 8  | Oct. 15                             |
| Belgium.....  | Sept. 4                    | Oct. 22                                       | Oct. 29                             |
| Colombia.....   | Sept. 5                    | Oct. 8  | Oct. 15                             |
| Costa Rica.....   | Sept. 7                    | Oct. 15                                       | Oct. 22                             |
| Guatemala.....  | do.....                    | do.....                                       | do.....                             |
| Honduras.....   | do.....                    | do.....                                       | do.....                             |
| Nicaragua.....  | do.....                    | do.....                                       | do.....                             |
| Salvador.....   | do.....                    | do.....                                       | do.....                             |
| Sweden.....   | Sept. 10                   | Oct. 29                                       | Nov. 5                              |
| Spain.....  | Sept. 17                   | Nov. 5  | Nov. 12                             |
| Switzerland.....  | Oct. 23                    | Dec. 10                                       | Dec. 17                             |
| The Netherlands, including Netherland India, Netherland Guiana, and Netherland West Indian islands..... | Dec. 12                    | Jan. 28                                       | Feb. 4                              |
| Finland.....  | Dec. 19                    | Feb. 4  | Feb. 11                             |
| Italy.....  | Jan. 16                    | Mar. 4  | Mar. 11                             |

These negotiations are not particularly secret. In the first place, the Department of Commerce, gentlemen, knows more about any one industry all over the United States from years of statistics that they have, than any manufacturer knows himself about that particular industry, because they have been collecting it, impartially, for years, and they have it gathered from the entire country.

I was amused at a manufacturer of paper in my own district about 3 years ago when Canada went off the gold standard. You remember, at that time everybody was saying that with Canada going off the gold standard our markets were being flooded. A very vehement protest was sent to me urging me to go before the Tariff Commission and try to get a tariff on finished paper.

[Here the gavel fell.]

Mr. ARNOLD. Mr. Chairman, I yield the gentleman 5 minutes more.

Mr. HARLAN. He asked for an increase in the tariff because the change of currency in Canada was flooding the country. I went to the Tariff Commission and the Department of Commerce and found that instead of a flood of

paper coming into this country the imports were far less after Canada went off the gold standard than before, showing that the individual industrialist does not have the chance to know the conditions in his own industry that the Department of Commerce does.

May I say again that subsequently there came a movement from the Ways and Means Committee to increase the tariff on wood pulp because of the great influx of wood pulp coming in, and this same man, a buyer of wood pulp and a seller of paper, wrote me a letter saying that Canada going off the gold standard had not affected things at all.

As to the reciprocity treaty, what chance had the Stutz Motor Co. when we put a tariff on French tapestry, French china, and French perfumes—what chance had they for a hearing? France put a retaliatory tariff on automobiles. What chance had the Stutz Motor Co. for a hearing on that? They did not realize when we put the tariff on tapestry, china, and perfumes that they were going to be affected by it. How much different is this situation? The industry affected now gets adequate notice and can present any facts it desires.

Now, the gentleman from Massachusetts also said that this is a new type of legislation. Well, the first precedent on which the reciprocity bill was founded was our Embargo Act of 1794; then our Preferential Duty Act of 1798, and so on, through provisions of the Tariff Acts of 1870, 1897, 1909, and 1922. In many of these acts the President was authorized to do far more than we authorize here. Time will not permit a summary from that time up to this, but there is practically nothing new about it.

The gentleman from Massachusetts said this—and this is the most important:

The gentleman from New York yesterday explained the situation as regards matches. It seems that there is a group of capitalists here urging a change of duty on Swedish matches. You do not suppose they want to raise the duty for the benefit of the American producer? On the contrary, their one object is to make some kind of a deal whereby our industry producing matches shall be wiped out.

I have looked up the report on the match industry and find this interesting thing.

In 1919 the net profits of the match industry amounted to three and a half million dollars, and the wages paid amounted to \$3,000,000. In 1929 the net earnings were, in round numbers, \$2,600,000, and the wages amount to \$4,100,000. In 1931 the net earnings were \$3,400,000 and the wages \$3,400,000, and in 1933 the net earnings amounted to \$3,400,000 and the wages \$3,200,000. In other words, during those 4 typical years which I have picked out before the panic, during the panic, and since, as we think we are partly out of it, almost universally the profits of the match industry exceeded the amount of money they paid for wages. I am quoting from Moody's Reports on Corporations.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. ARNOLD. Mr. Chairman, I yield 5 minutes more to the gentleman from Ohio.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. HARLAN. Yes.

Mr. CULKIN. Will the gentleman add to the amount paid for wages in excess of \$3,000,000 in the match industry the amount that it disbursed for American products, sulphur, wood, and other things going into the manufacture of matches?

Mr. HARLAN. I have not that here.

Mr. CULKIN. It is in excess of \$10,000,000 per year.

Mr. HARLAN. That does not seem quite possible, because the entire value of all of the matches produced was less than \$10,000,000. I shall try to put the entire value in. I have it some place, but not available right at this minute.

Mr. CULKIN. The gentleman will find that in the last report of the Tariff Commission on this question.

Mr. HARLAN. I am not interested in the portion of the total manufactured value of matches which goes to raw material. I am solely interested here in the proportion of the profits which goes to labor. As long as we protect back of tariff walls an industry that pays as much money for profits

as it does to labor we will never be able to keep the industrial machinery going.

For example, from 1923 to 1929 the total value of manufactured products in the United States increased \$9,000,000,000, or approximately 16 percent. During the same years the amount of money paid to wages increased one-half billion dollars, or approximately 5 percent. This unhealthy ratio between profits and wages is largely responsible for our very overwhelming debt structure which has bogged down our industrial machine.

The gentleman from Massachusetts was also much worried about maintaining our standard of living. He says on page 603:

If we are going to seek larger foreign markets, we must be prepared to meet world competition, and this means low production costs. Our standard of living would have to be lowered to that of Europe and the Orient, fewer men could be employed, sweatshop working conditions would prevail, and wages would have to be reduced to a fraction of what they now are. Is it worth the price?

This is a type of argument that has become standard for protectionists for a long time. Yet the answer is obvious. Even with the tremendous burden of ineffective industries tied around the necks of our efficient industries, with our efficient industries we are able now to sell throughout the world and to undersell foreign competition. It is because of that that foreign countries have built probably higher tariff walls against the United States than against any other one country.

We can make in the United States any commodity requiring tremendous power, mass production, and abundant natural resources, and in making that we can pay a wage scale higher than any place in the world because of the difference in value between our power and natural resources on the one hand and the value of the manufactured product on the other. Out of this differential we can and always have and always will pay higher wages. It is not the industry that cannot exist without tariff protection that fixes the wage scale. It is not the tariff-protected industry that goes out into the world market and carries American trade. It is not the United States that has to worry about the efficiency of our manufacturers. It is the foreign countries that are trying to keep them out through tariff walls. If, through reciprocity treaties, we can lower these tariff walls and buy those commodities which we cannot efficiently and effectively produce and sell those commodities which afford big profits and higher wages both we and our customers will prosper.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. HARLAN. I shall in a moment if I have the time. The American producer in exploiting labor and using the tariff to do that is not at all unusual. The Canadian Government last year appointed a so-called "royal commission" to investigate conditions in that country, and during the Christmas holidays that royal commission reported to the Canadian Parliament on the textile industry in Canada. Let me show you what that report says:

The Dominion Textile Co., which employs 41 percent of the Canadian cotton workers and is one of the chief beneficiaries of high duties, was shown to have paid without interruption for 10 years dividends equal to 150 percent on its original investment and 22 percent on a second stock subscription in 1922. Yet it had reduced labor payments 10 and 20 percent in 1933 and they were still down 7 percent, although the company in 1934 earned the highest trading profits since 1929.

The tariff has kept the Canadian textile industry out of red ink throughout the depression and it had decreased the textile imports from the United States from 75,638,000 square yards to 17,112,000.

But it had produced wage scales varying from \$11.50 to \$15.71 per week, and that, as one member of the commission remarked, was a poor example of high tariffs as creators of employment.

Our American match industry compares very favorably in grinding down labor with the Canadian textile industry. From 1919 to 1933 the number of match factories had been reduced from 21 to 16. Wages in 1931 averaged \$1,037 per man, whereas in 1933 they averaged \$885 per man, although the profits in both years was approximately the same, three and four-tenths million dollars. They maintained their profits by reducing wages.

Mr. Chairman, the whole world is sick of the tariff walls with which we have surrounded all of our countries. They are tying up trade. They are keeping efficient industries from making profits they ought to be entitled to, and it is out of profits that wages are paid and in no other way. They talk about our American wage scales being due to the tariff. Why did we originally institute a rigid tariff policy? Because the wage scale already prevalent in our new country was so high in agriculture, in making rum, and in shipbuilding that we had to put a tariff on to induce laborers to go into other manufacturing business. That is why we put the first tariff on and brought the Du Pont Co. here to manufacture powder, because we could not pay our current wage scale and sell the powder in competition with Europe. We have put unprofitable industries around the necks of efficient profitable industries. But the tariff is here. Our industrial life has been built up around the tariff. Nobody at this time is radical or wild enough to think that we can wipe those out over night and bring the millennium here in international trade, but we can do one thing, and that is what the administration is doing. We can gradually, through reciprocity treaties, adjust our international trade so that profitable industries, efficient industries, can again function; and those industries which cannot exist without a tariff wall will have an opportunity to change their capital over into other industries that can. [Applause.]

We have heard a great deal in this Congress about the danger of communism and fascism. To any thoughtful person it is apparent that capitalism, not only in the United States but in the world, is at the crossroads. It must produce wages high enough to protect humanity from want or it will be replaced by some other form of civilization.

The reactionary element tells us that our way to salvation is by extreme nationalism; to build a wall around us so high that no goods can come in, and seek our own salvation. If this were true, it would bring questionable safety to our citizens, if by doing that the other white and yellow races of the world who are not so fortunate as to possess the immense free-trade market which we possess are reduced to starvation. Their hatred of us would inevitably lead us into war where our vaunted prosperity would sink with civilization.

But is it possible to procure comfort and happiness by cutting off world trade completely? Our experience in all past depressions did not so indicate, because, if so, the less foreign trade we have the greater our domestic prosperity ought to be. Yet it is obvious that as our own prosperity sinks into a panic, instantly foreign trade and commerce sink with it. The extent of our foreign trade furnishes an index, as it rises and falls, of the prosperity which we are enjoying in our domestic commerce.

The imperative thing that capitalism must do, not only in the United States but in the world, is to see that men eat, are clothed, and have a sense of security against the casualties of life; and the only way that that can be done is for all humanity to engage in those industries which produce the greatest profit, because out of great profits, with honest administration, high wages are paid.

Capitalism, furthermore, must develop some system of controlling human selfishness; at least to the extent of preventing exploitation by those in power over those who are defenseless. If we cannot stop exploitation, then fascism must do it with the big club, or communism must do it by dragging us all down to the same level, where there will be no incentive to save, no incentive to profiteer, because there is no investment which can be made of the ill-gotten gains.

If we cannot control this blood-thirsty demon of selfishness, then communism, fascism, or any other form of government must furnish an ultimate welcome relief.

Mr. MICHENER. How about developing any new industries?

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. MICHENER. Will there be opportunity to develop any new industries under this system?

Mr. HARLAN. I am sorry. I would like to answer that question, but my time has expired.

Mr. ARNOLD. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Chairman, it is a common practice of many orators and newspapers to speak in a belittling way of Postmaster General James A. Farley as the "political member of the Cabinet", as if to convey the sinister implication that he spends his entire time playing politics and hatching political schemes to the great injury and detriment of the public service. The constant effort seems to be to build up a popular mirage of Mr. Farley as "Old Man Politics incarnate", and thus to create the impression that the head of the greatest business establishment on earth—the United States Postal Service—is a scheming politician, pure and simple, devoid of business and administrative experience and qualifications, who is kept in office for one purpose only, and that is to handle the politics of the national administration.

It is my purpose in the brief time it would be proper for me to speak today to dispel this Farley myth and to show that while Mr. Farley undoubtedly does know a thing or two about politics he also is liberally endowed with business brains and executive capacity and that the Post Office Department under his guidance is economically conducted and wisely administered and that the character and quality of the administration of that great Department is such that it could well be taken as a pattern for all other Government departments and activities.

What I shall say about the administration of the Post Office Department, the opinions I shall express, will be based on the intimate contacts I have with that Department by reason of being a member of Mr. ARNOLD's subcommittee on Post Office Department appropriations. We are constantly in touch with the Department. Every year we have the most elaborate hearings. We call the postal officials, high and low, before us, seat them across the table from us and put them through a gruelling examination. We take the Department apart and watch it tick, so to speak. The information that has come to me by this delving process tells me that the Post Office Department is ticking like it ought to tick; that it is being conducted with high efficiency and on a basis of sound principles of economy that might well be copied by many of our other departments and new activities.

#### MY ONE PET EWE LAMB

My testimony, I believe, will be all the more impressive when I say that in patronage matters Mr. Farley and I have not clicked. He took away from me my one pet ewe lamb, the postmastership of Indianapolis, and turned it into the corral of my genial friend the senior Senator from Indiana on the theory that a Senator is entitled to name the postmaster of his home city.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. CULKIN. I was just going to ask if the gentleman's conciliatory remarks mean that he is trying to get the post office back?

Mr. LUDLOW. Not at all. That question will be answered a little later in my remarks.

I have always regarded that as a bum theory. [Laughter.] If I am ever elected to the Senate, I may think more of it; but for the present I disapprove of it. Then, after the Home Loan Bank Board had voluntarily, graciously, and kindly, and on its own initiative, invited me to name the manager of the Home Loan Corporation at Indianapolis, and in my perfect innocence I had appointed and notified the man of my choice, Mr. Farley waved his magic wand, and, presto, the appointment was turned over to the same genial friend, and I was not allowed even to name the attorneys and appraisers for my district, which were the humble crumbs that fell to all other Congressmen in that patronage shower, all of which I thought was in violation of the immutable principles of justice, to say nothing of the Constitution and the Bill of Rights. [Laughter.] When I pleaded with Mr. Farley to appoint a wonderful colored man of my district as minister to Haiti, a white man from a far-away State got the job. At the beginning of this administration I sub-

mitted a preferred list of appointments, and it was given a preferred place in a pigeonhole, where it still maintains its preferential status. [Laughter.] The dust on it is thick and getting thicker. I cite these facts merely to show that the encomiums I intend to hand to the Post Office Department are not inspired by any patronage largess heretofore bestowed or by the hope of any patronage largess yet to come, as all of the appointments in which I was especially interested have been filled. [Laughter.] Someone may arise to inquire in amazement why I, the forgotten man, should pat the hand that has failed to feed me the fruits of the patronage plum tree, but I hope that I am big enough and broad-minded enough not to allow selfish considerations to warp my vision. I hope I am big enough and broad-minded enough to recognize that efficient and economical public service should be our first and paramount aim, and that is the kind of service the Post Office Department is giving to the people of this country.

#### THE WATCHWORD OF OUR STATESMEN

Mr. Chairman, for a hundred years economy was the watchword of our statesmen. For a hundred years "We demand retrenchment in the cost of government" was a full, resounding phrase that was featured and exploited in every political platform of every political party, National, State, and local, as the greatest of all desiderata. Political action lost all of its virtue and its beneficent essence unless it was associated with economy. And then, Mr. Chairman, a change came over the spirit of our dreams. We began to ask ourselves not how much money we could save for the benefit of the taxpayers but how much money we could twist and pry out of the Government to appease the various groups and blocs that were hammering at the doors of the United States Treasury. The change in psychology swept not only over the Congress but over the Government departments and bureaus as well. The chiefs of services began to take the attitude that it was their bounden duty not to see how economically they could conduct their offices but to siphon as much money as possible out of the Treasury to propagandize their activities and swell their personnel. Years ago economy in the departmental service became also a lost art.

It is interesting and refreshing, therefore, to examine with some particularity the record made by the Post Office Department under Mr. Farley since Franklin D. Roosevelt became President. I am one of those who believe in less government in business and more business in government, and I have been genuinely pleased to note the extent to which the Postal Service is now operated on recognized sound business principles. The result of a business direction of the Department is strikingly attested by the fact that on June 30 last, the end of the fiscal year 1934, there was a surplus on hand of \$12,161,415.03 after giving credit for franked and penalty mail and air and ocean mail subsidies.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. LUDLOW] has expired.

Mr. ARNOLD. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. CULKIN. Will the gentleman yield right there?

Mr. LUDLOW. I yield.

Mr. CULKIN. Did the gentleman see the article in the Washington Herald last week, discussing the administration of Postmaster General Farley, in which it was stated that the actual deficit in that Department during the last year was \$84,000,000?

Mr. LUDLOW. I do not recall, but I know that is not true.

Mr. CULKIN. That was the statement made in that article.

Mr. LUDLOW. The article simply is incorrect. I do not charge and I do not believe that it is intentionally untrue, but I say it does not state the facts.

Mr. CULKIN. One of the distinguished paragraphers of that newspaper made that statement.

Mr. LUDLOW. I have no quarrel with him. He undoubtedly thought he was stating the fact, but I have taken the trouble to check up these figures, and I know that he is mistaken and that the figures I am giving are correct.

Mr. ARNOLD. Will the gentleman yield?

Mr. LUDLOW. I yield.

Mr. ARNOLD. That does not take into consideration the nonpostal functions that have been imposed upon the Post Office Department, and from the system of accounting as followed out, that was adopted by the law passed in 1930, the Post Office Department during 1934 did actually show a profit of \$12,000,000, and with the same system of accounting that was in use since 1930 the Post Office Department on each and every one of the years prior to 1934 showed a large deficit.

Mr. CULKIN. That was the new type of bookkeeping that was initiated by the new Postmaster General.

Mr. ARNOLD. That is the new type of bookkeeping that was initiated by a law passed under the gentleman's administration.

Mr. CULKIN. Two sets of books.

Mr. LUDLOW. Mr. Chairman, I do not want all of my very limited time consumed by others.

#### FIGURES ARE ELOQUENT

Those figures are eloquent. They show that as far as the Postal Service is concerned—the largest single business in the world—the Budget is being balanced. The longing of every business man for a balanced budget is being realized in that department. Now, how was it in former years? Tongue and buckle have heretofore been far apart in the Postal Service. The spread between income and outgo reached its widest girth in the entire history of the Postal Service in 1932, the last year of the former administration, when after giving the same credits for franked and penalty mail and for air and ocean mail subsidies there was the enormous deficit of \$153,581,408.20.

Under Mr. Farley's administration of the Post Office Department everlasting vigilance has been observed in trying to effect savings wherever possible. In the transportation of mail there was a decrease from \$180,300,000 in 1933 to \$167,296,000 in 1934, due largely to the fact that better contracts were made and better prices were obtained. On domestic air mail alone there was a saving of \$6,500,000, and while there has been some criticism of the abrupt way the old air mail contracts were broken off and while it is possible that the transition might have been effected in a less blunt and in a more equitable way, the fact remains that the change was distinctly in the public interest, for it is now revealed that under the old order the air mail contractors were receiving entirely too much subsidy at the expense of the American taxpayers. For an average rate of pay under the new contracts the country is receiving as efficient air mail service for 26.802 cents per mile as cost 42.658 per mile under the contracts prior to annulment. Furthermore, the new system not only embraces 3,676 more route-miles than was embraced in the old system, but it serves 4 additional States and 41 cities which did not have air mail service at the time the old contracts were annulled. The proof of the pudding is in the eating. The proof of an administrative act is whether the public benefits by it, and judged by that test the cancelation of the air mail contracts has been justified.

In the darkest days of the greatest depression the world has known Postmaster General Farley managed to carry on his Department without dismissing an employee, which I maintain is quite an achievement. The necessary savings were obtained by administrative furloughs and by not filling vacancies. Every employee of the Department had a very satisfying feeling of security, knowing that when the storm blew over he would still have his job, with the certainty of full-time restoration.

#### MR. FARLEY'S ABLE ASSISTANTS

Now, I would not have it understood that I believe all the credit for a successful administration of the Post Office Department should go to Mr. Farley. I know that a good deal of it belongs to effective men in key positions. His four assistants—First Assistant W. W. Howes, Second Assistant Harlee Branch, Third Assistant Clinton B. Ellenberger, and Fourth Assistant Smith W. Purdum—are all capable men and comprise as fine a group of official advisers as any Postmaster

General ever had, and I would not overlook my friend Ambrose O'Connell, who is not only a most capable administrative assistant but who knows all the politics Mr. Farley ever forgot. To borrow a favorite expression of Henry Van Porter, we were "charmed" by the breadth of vision and the intimate knowledge of the vast details of the Postal Service displayed by my old colleague of the fourth estate, Second Assistant Postmaster General Branch, when he appeared as a witness before our subcommittee.

To Smith Purdum, the Fourth Assistant Postmaster General, I doff my hat in unqualified admiration. He has a more wide-spread knowledge of the Postal Service than his associates in Mr. Farley's kitchen cabinet, because he has been longer in the Service. He is the soul of conscientiousness and the symbol of devotion to the public interest. Not only is he efficiency personified, but his capacity for work beats almost anything I ever knew. Furthermore, according to my notion, he has an idea that ought to possess all public servants, but which really possesses but very few in this era of spending, and that is that dollars represent the sweat and toil of the taxpayers and are not to be spent without receiving 100 cents of value for every dollar expended. Mr. Purdum is the author of an axiom that ought to be posted in every public office in America:

A dollar wisely expended is a good investment, but the wasting of a dollar is criminal.

#### MANY ECONOMIES ACCOMPLISHED

On the single item of equipment and supplies, rent, light, heat, and so forth, Mr. Purdum was able to save the taxpayers millions of dollars during the last fiscal year after receiving Mr. Farley's consent to put his economical ideas into effect. His ingenious methods of saving money make an interesting story of postal thrift. He was convinced that there was a waste in using electric lights in leased and rented quarters, and he set about to correct that condition. Once a month orders were printed in the Postal Bulletin calling on postmasters to economize on lights. This turned up a saving of \$190,000. Postmasters were instructed to save used twine, knot the ends together, and roll the strings into balls for future use. The result has been a large saving in the twine bill. Another order prohibits trucks from making unnecessary trips, and before a truck can be sent out authority must be given by the proper official. Result, a handsome saving on gasoline as well as on wear and tear. Mr. Purdum ordered surveys made of large quantities of Government-owned second-hand furniture in storage, and he found that with small repairs much of this furniture, which is really of an excellent quality, could be reconditioned and made serviceable for postal needs. Result, another large saving. He enunciated the theory that a spick-and-span new mail sack is not necessary to carry the mails, but that a repaired one will do the work quite as well, and as a result more half-soled mail bags are going around these days than ever before. Postmasters are instructed to give personal attention to the conservation of supplies, such as pens, ink, blotters, lead pencils, and so forth; and the postmaster who carelessly leaves his electric lights turned on when they are not needed for illuminating purposes will sooner or later come to grief under the watchful eye of Mr. Purdum. All of the supplies for the Postal Service, both for the Department and for the field, are issued through Mr. Purdum's office. Every requisition is scrutinized with the utmost care by three capable and vigilant officials—Louis Y. de Zychlinski, Assistant Deputy Fourth Assistant; Frank J. Buckley, Deputy Fourth Assistant, and Mr. Purdum, and there is not a chance in a hundred that anything crooked or extravagant will get by that eagle-eyed triumvirate.

#### A MOST ENTHRALLING STORY

If I had more time I might go more fully into the intricacies of postal administration in the well-ordered set-up that is now controlling that branch of the public service which has its ramifications all over the world and which gives permanent employment to 237,636 human beings. It is a most enthralling story. Critics of Postmaster General Farley may abuse him, if they like, for alleged political atrocities. That is their funeral. But if they will examine the record as I

have done and are only half-way fair, they will have to admit that as Postmaster General Mr. Farley is doing an excellent job. As one American citizen, I should like to see every other department, agency, and activity take note of the healthful example of economical administration in the Post Office Department to the end that Postmaster General Farley's policy of putting business into Government may be emulated throughout the entire public service. I am wishing Mr. Farley all power in extending his administrative principles of careful economy to other governmental soil. I only hope that his example will become infectious. [Applause.]

Mr. TABER. Mr. Chairman, I yield 30 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, a week ago I stated in the House that I would present certain evidence that Federal officeholders were contributing to a Communist veterans' organization, with its headquarters in the city of Washington. I propose merely to state the facts and not suggest any remedy. After the facts are presented, the matter will be in the hands of the Democratic Party for any action it desires to take. In order that there be no misunderstanding of the facts either on the floor or in the minds of the representatives of the press, I propose to read them.

I have in my pocket photostatic copies of the receipts for these contributions, which I will be glad to show to any Member of the House. They were given to me unsolicited, but given to me with the understanding that I would not disclose the source from which they came. However, I have investigated the source thoroughly and am glad to endorse it 100 percent, as well as the photostatic copies of the receipts to the same extent.

In accordance with the statement I made in the House of Representatives a week ago I am presenting photostatic copies of receipts for donations received by the Veterans Rank and File Committee, signed by Harold Hickerson, a prominent Communist, from Federal officeholders for the purpose of instigating a bonus march of Communists on Washington.

I have prepared my remarks carefully so that there can be no mistaking the facts or twisting them for ulterior purposes. I am prompted to do so in order to protect such recognized veteran organizations as the American Legion, Veterans of Foreign Wars, and Disabled American Veterans, who are bitterly opposed to the Communist Veterans Rank and File Committee, Veterans Liaison Committee, and Workers Ex-service Men's League, all of which are led and dominated by such well-known Communists as Emanuel Levin, Herbert Benjamin, and Harold Hickerson.

As Al Smith says, "Let's look at the record." Let us see what the record discloses about the largest single contributor—Robert Marshall—to the Communist Rank and File Committee in order to promote Communist activities and bring their bonus marchers to Washington. He contributed, according to the photostatic copies of receipts signed by Harold Hickerson, a total of \$120, of which \$100 was contributed on December 29, 1934, and \$20 on December 18, 1934. Mr. Marshall is the Director of the Forestry Division, Bureau of Indian Affairs, Department of the Interior, drawing a salary of \$5,600 from the Federal Government. He is chairman of the American Civil Liberties Union Committee of Washington, D. C., an organization that upholds the Communists in their advocacy of force and violence to overthrow the Government, replacing the American flag with the red flag, and erecting a Soviet government in place of our republican form of government guaranteed to each State by the Federal Constitution.

Mr. Marshall is one of the younger members of the "brain trust", most of whom are or have been active members and officials of the A. C. L. U., such as Prof. Rexford Guy Tugwell, A. A. A.; Donald R. Richberg, N. R. A.; Robert Fechner, C. C. C.; Prof. Paul H. Douglas, N. R. A.; Dr. Frederic C. Howe, N. R. A.; Henry T. Hunt, P. W. A.; Nathan R. Margold, Interior Department; James Landis, Federal Trade Commission; and John A. Lapp, N. R. A., impartial Presidential representative.

Another Federal officeholder who contributed to the Veterans Rank and File Committee is Gardner Jackson, senior administrative counsel, Consumer's Division, A. A. A., who made eight separate donations, according to photostatic copies of receipts, dating from September 19, 1934, to December 27, 1934, in sums of \$5, with the exception of one donation of \$10 on November 12, 1934. It is not surprising to find that Mr. Gardner Jackson is employed as counsel in the Consumer's Division of the A. A. A., of which Dr. Frederic Howe, formerly on the National Committee of the A. C. L. U. and correspondent of the Federated Press, which spread revolutionary propaganda through the Communist press, is the chief counsel.

In addition, Pauline Sherskiesky, former assistant supervisor of the District Emergency Relief and now holding another governmental position in Maryland, made a contribution of \$2 on November 7, 1934, according to the photostatic copy of a receipt signed by Harold Hickerson. There were about 25 other contributors whose names are now being checked up, including the following: B. Mercer, \$30; J. Houghton, \$25; Kermit Hooper, \$23; B. Marshall, \$20; R. Parmalee, \$15; Miss M. Custer, \$7.75; Miss L. Peabody, \$5; I. Kastle, \$5; and S. Sloan, \$5.

I do not even pretend to suggest what action the Democratic administration should take against its own appointees in whom it placed its confidence by honoring them with positions of responsibility in the Federal Government. The attitude of President Roosevelt on the bonus is well known, but that is a minor consideration when compared to contributions to a Communist veteran organization, whose main purpose is to spread class hatred and propaganda for the destruction of American institutions.

As I stated on January 21, on the floor of the House, I proposed to submit uncontrovertible evidence given me unsolicited by highly reliable authority, and then that it would be the duty of the Democratic administration to clean its own house, because the man or woman in public office who contributes to a Communist organization is just as bad as a Communist, particularly for the purpose of bringing Communist bonus marchers to Washington.

Mr. HARLAN. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. HARLAN. Does the gentleman seriously fear Communist activities in this country so long as our present industrial and capitalist system of production is able to take care of those in need and want? In other words, so long as our present system is successful in taking care of need, does the gentleman fear the idea of communism in the United States?

Mr. FISH. I am very glad the gentleman from Ohio asked that question. I have never feared communism at any time. I do not believe in the possibility of a Communist revolution tomorrow morning at dawn, or the next day, or the next year. What I resent is the fact that there can be men in the Democratic administration, not Democrats or Republicans, who believe in free institutions, but men who contribute to a Communist organization for the very purpose of destroying free government in the United States of America, for destroying every single principle the Democratic Party has stood for for 150 years and for which I believe it stands today. Communism seeks not only to spread class hatred but to tear down and destroy representative government, and, if possible, to overthrow our republican form of government by force and violence.

I am sure the gentleman has no sympathy for communism, nor have his constituents. I am sure the gentleman, and I agree with him, does not fear any overthrow of the Government by force and violence. However, he surely does not desire in any way to be a party to encourage Communists who would destroy, if they had an opportunity, everything the gentleman himself believes in and everything the Democratic Party stands for.

Perhaps the reason I am opposed to communism as much as I am is the fact that I believe in democratic institutions; I believe in freedom of speech, and I believe in liberalism,

which is the extension of democracy; the right of the people to rule themselves. But I do not believe that Government officeholders, paid out of the Treasury of the United States, should donate money to promote communism and foreign revolutionary propaganda in the United States of America which seek to undermine, to tear down, and to destroy, if possible, by force and violence, everything that has been handed down and intrusted to us by our forefathers and which we as Members of Congress have taken an oath of office to uphold.

Mr. TAYLOR of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. TAYLOR of Tennessee. Communism also stands for the spread of atheism throughout the country, too; does it not?

Mr. FISH. Oh, yes. I did not expect to speak on communism; but as far as I am concerned, there are some things about the Communists that I admire. One is that they are much more steadfast and much more loyal to their fundamental convictions and the principles of their party than either Republicans or Democrats who make their party platforms one day and begin to forget about them the next. It is a fundamental principle of the Communist, whether he be at Moscow, New York, Los Angeles, or Peking, to teach hatred of God. They are not merely atheists or non-believers, but seek to wipe out all vestiges of religion. A man has a right to be an atheist if he wants to be. The Communists go way beyond atheism; they teach militant hatred of God and of all religions to the extent that 12,000,000 school children in Soviet Russia are taught hatred of God; and if their parents at home have the hardihood to maintain any religious faith whatever, their own children are called upon to hold them in contempt and to disobey them.

Yet there are to be found in this country, I may say to my friend from Tennessee [Mr. TAYLOR], some Protestant ministers who comprise and condone communism because they say: "Well, the old Greek Orthodox Church was filled with abuses and evils." That may be right; but the Communists are not after the old Greek Orthodox Church alone. They are against the Protestant religion, the Catholic religion, and every other religion. They teach hatred of God. The trouble is that these ministers confuse the communism of the early Christians based upon love and the kingdom of God with the communism of Soviet Russia, based upon hatred of God and hatred of every religion. Have I given the gentleman a sufficient answer to the gentleman's question?

Mr. TAYLOR of Tennessee. The gentleman has quite fully answered my question.

Mr. PIERCE. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. PIERCE. Is the Marshall whom the gentleman mentioned a forestry man in the Indian Bureau?

Mr. FISH. He is the one.

Mr. PIERCE. Has the gentleman his personal acquaintance?

Mr. FISH. No; I do not know any Communists at all.

Mr. PIERCE. Mr. Marshall is one of my personal acquaintances. He is one of the highest-type men to be found in the city of Washington. I do not see why we should be concerned with what he does with his money, I know of no higher type of man in the city of Washington than this same Mr. Marshall.

Mr. FISH. I am not going to yield further, because I am making no recommendations to the Democratic Party. The gentleman may believe Mr. Marshall has the right to do what he wants with his money; but does the gentleman believe that receiving this money from the Democratic Party out of the Treasury of the United States, he has the right to contribute to the Communist cause ostensibly to overthrow the Government? The gentleman has the right to his views, and I have a right to mine; and I am not retracting my views one bit.

Mr. PIERCE. When the gentleman attacks Mr. Marshall, he attacks one of the highest-type men in this city.

Mr. FISH. I made no statement about Mr. Marshall's character or ability.

Mr. PIERCE. He is one of the ablest men I know of.

Mr. FISH. I am discussing the question of contributions.

Mr. PIERCE. I do not know what he did.

Mr. FISH. Mr. Chairman, if the gentleman does not know, I can furnish him with the information and photostat copies of receipts. I cannot yield to him further.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. FISH. I certainly yield to the gentleman from Pennsylvania, for I know his liberal views.

Mr. DUNN of Pennsylvania. The gentleman stated that Russia is teaching her children to hate God. What a wonderful display of the love of God was made by all Christian nations during the World War!

Mr. FISH. The gentleman and I served in the World War. He went to war, I suppose, in defense of our country; and I suppose that he and I would go again if necessary.

Mr. DUNN of Pennsylvania. Yes; but did not all Christian nations teach all soldiers to shoot men down?

Mr. FISH. The gentleman and I probably loathe and hate war more than anybody else does in Congress, if that is what the gentleman wants to know.

Mr. DUNN of Pennsylvania. I am opposed to it.

Mr. FISH. But I am sure the gentleman has no desire to defend the principles of communism.

Mr. DUNN of Pennsylvania. No; but I believe that hatred will be found to exist in every nation in the world. What is needed now is more people to preach the brotherhood of man instead of the selfishness of the individual.

Mr. FISH. Yes; and industrial peace also.

Mr. RANKIN. May I ask the gentleman where he got these photostatic copies of receipts?

Mr. FISH. I made the statement that they were given to me by certain people I know very well, but I am not at liberty to give their names.

Mr. RANKIN. There are only two sources from which the gentleman could secure this information.

Mr. FISH. I do not yield further. The gentleman probably was not here when I spoke at first, but I made that matter very clear.

Mr. BLANTON. Will the gentleman yield for a question?

Mr. FISH. I yield to the gentleman from Texas.

Mr. BLANTON. At any time during the gentleman's experience in France, did he teach any of the men under him, or did any other officer over there teach the men under him, to hate God?

Mr. FISH. Never.

Mr. BLANTON. Why, of course not. The gentleman from New York was condemning Communists in Russia, who teach people to hate God, and I agree with him in such condemnation, which is very different from the matter mentioned by the gentleman from Pennsylvania [Mr. DUNN].

Mr. DUNN of Pennsylvania. It all depends on the gentleman's conception of God. What is the gentleman's idea of God? Is it one of these great monsters?

Mr. FISH. I will tell the gentleman my views. I do not believe in various creeds, dogmas, or articles of faith. They do not impress me very much. However, I believe that religion is the greatest moral force in the world. [Applause.] If you allow these Communists to have their way and destroy religion, you will go back to the Dark Ages.

Mr. DUNN of Pennsylvania. I agree with the gentleman.

Mr. FISH. I am glad the gentleman agrees with me on something.

Mr. DUNN of Pennsylvania. I do not maintain it is religion when we have national religious and race hatred in the world. That is not religion. Religion is the teaching of the brotherhood of man.

Mr. FISH. May I say to the gentleman that I served with colored troops in the World War and oppose all forms

of race hatred, and agree with the gentleman in teaching the brotherhood of man and the fatherhood of God.

Mr. DUNN of Pennsylvania. That prevails in every Christian nation in the world.

Mr. BOILEAU. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Wisconsin.

Mr. BOILEAU. I should like to get the gentleman's conception of the Communist view with reference to God? I understand the gentleman to say that they teach and believe in God?

Mr. FISH. They teach hatred of God.

Mr. BOILEAU. Does that presuppose a belief that there is a God?

Mr. FISH. No. They want to dethrone God both in Heaven and out of every place in the World. They want to destroy all belief in God and in all religion. You have to respect them for one thing, and that is they stand for their convictions and do not make any attempt to hide them.

Mr. BOILEAU. The gentleman must assume they believed in God in the beginning.

Mr. FISH. No; I do not, and the gentleman knows very well they do not believe in God or any religion.

Mr. BOILEAU. I just want to get the gentleman's views.

Mr. FISH. I am not going to quibble about the attitude of the Communists regarding religion, and it is not necessary, as the Communists admit it. The gentleman knows how they stand as well as I.

Mr. BOILEAU. My only purpose was to get the gentleman's conception of the matter—that is all.

Mr. FISH. Mr. Chairman, my colleague, the gentleman from New York [Mr. MILLARD] spoke about what Postmaster General Farley has been doing recently in reference to making presentations of sheets of imperforate stamps to certain public officials and probably to others. I am sure that Members on both sides want the facts and that the American people back home will insist on having all of the facts. I am sure everybody wants to be fair to Mr. Farley and give him his day in court and an opportunity to come down to the Congress and give us the facts. He may have some adequate explanation, and he has a right to be heard. The charges which have been made today by my colleague [Mr. MILLARD] are very serious charges. It is not a question of petty graft. The charges involve hundreds of thousands of dollars. I am therefore introducing the following resolution:

*Resolved*, That the Postmaster General be, and he is hereby, directed to transmit to the House of Representatives the following information: The number of sheets of recent commemorative stamps in imperforate form issued since March 4, 1933, and presented to Government officials and all others; the names and addresses of all persons and corporations who have received imperforate stamps and the number of such stamps received by each individual or corporation; and a list of the names of all who were favored with sheets of imperforate stamps even though such sheets have been recalled.

Mr. ARNOLD. Will the gentleman yield?

Mr. FISH. For a very brief question.

Mr. ARNOLD. Has the gentleman made any effort to ascertain from the Post Office Department how many sheets of these stamps have been issued?

Mr. FISH. No. I know 20 commemorative stamps have been issued. I am a busy man, just like the gentleman, and I have to rely on the information that is handed to me, or that appears in the public press.

Mr. ARNOLD. If the gentleman would request this information from the Postmaster General, he would receive all the information the Postmaster General could give him without the necessity of an investigation.

Mr. FISH. I hope the gentleman is not objecting to a resolution of this kind requesting information.

Mr. ARNOLD. The gentleman certainly should have requested the Postmaster General for this information before resorting to an investigation.

Mr. FISH. May I say to the gentleman that I do not care to be criticized by him as I am not asking for an investigation but merely for information from the Postmaster General. Mr. Farley has admitted that he has given these stamps to different people. I have seen the stamps, too. I

saw them a long time ago. I happen to know something about the first stamp issue under this administration, as it originated in my district. I have seen blocks of stamps which were given out months ago. I do not know just how many, and that is what I want to find out.

Mr. ARNOLD. Did the gentleman make any effort to find out from the Postmaster General how many of these stamps have been given out?

Mr. FISH. The Postmaster General has already admitted that in the public press.

Mr. ARNOLD. But I mean as to the number?

Mr. FISH. That is a matter for Congress, not for me, to find out and to get all the information available.

Mr. ARNOLD. The gentleman could get the information from the Postmaster General, if he wanted to.

Mr. FISH. There is no question about the fundamental fact that imperforate stamps have been given out, and they have been given out to a favored list. Of course, I do not know everybody Postmaster General Farley has given them to, but there is a favored list, including the President of the United States, Secretary Howe, and a number of others. Now, my recollection goes back to the last Congress. I remember about a certain preferred list in Wall Street when J. P. Morgan & Co. had a favored list of clients. The Democratic side denounced it as being perfidious, wicked, and vicious, and there were some Democrats on it, too. I remember that there was only one Member of Congress, and he was Senator McAdoo, of California. But that favored list is not half as bad as this, and I will explain why.

Mr. BOYLAN. Mr. Chairman, will the gentleman yield?

Mr. FISH. Yes.

Mr. BOYLAN. I wanted to ask the gentleman if he considers he is playing fair with his colleague from Westchester, who introduced a resolution this morning?

Mr. FISH. I am supporting it.

Mr. BOYLAN. The gentleman is now coming in with another resolution.

Mr. FISH. No; this is to help that resolution.

Mr. BOYLAN. And may I ask if this is 1 of the 20 issues raised by his distinguished leader or is this a new one?

Mr. FISH. This is the one hundred and first issue. This goes way beyond the original 20.

Mr. BOYLAN. The gentleman's leader issued a statement saying he had 20 issues.

Mr. FISH. Does the gentleman think the Republican Party is going to stand on just 20 issues? You give us an issue every day here.

Mr. BOYLAN. You have no issues, and you are simply groping in the dark now.

Mr. FISH. I do not yield further. I have just presented two new issues for the Democrats and propose to leave them on your lap.

Mr. TABER. Is not this an issue that the Democrats have raised?

Mr. FISH. I admit that the Democrats have no issues, and therefore I am giving them some. I gave you an issue on communism, and now I am giving you an issue on these imperforate stamps.

Mr. MILLARD. If the gentleman will yield, I appreciate the help from the gentleman from New York very much.

Mr. FISH. Now, let us see the difference between this Wall Street preferred list and the preferred list of the Postmaster General.

The Morgan preferred list gave to those who were in preferred positions, their friends, stock at \$20, and it was issued to the public at \$30, an increase of 50 percent; but in the Postmaster General's preferred list the public have not a chance to buy and the increase is not 50 percent, but 100 times the cost, according to the Stamp Dealers Association.

The Newburgh Stamp Club, in my district, has entered a very vigorous protest against this deplorable procedure. When I say that the President of the United States has received 20 sheets of these imperforate stamps, I only say what I have seen in the press. I will not know definitely until I get this information from Mr. Farley. The value of these stamps, for which was paid a few dollars or a few hundred

dollars, according to one of these stamp experts, has increased to \$320,000. If this is so, of course, the President, when he finds out the facts, should return the stamps.

I am not vouching for the facts, and I shall not know them until they are presented here in open hearings. However, it is stated openly in the public press that President Roosevelt has received all 20 issues; Mr. Howe and members of the Cabinet have also received a number of these issues. Mr. Ickes received 10 of the issues at a profit of only \$200,000 for the Secretary of the Interior. Of course, that is a mere detail. I apologize to the Democratic Party and to my friends on the Republican side for discussing any such small sum of money. I suppose we should not discuss anything under \$1,000,000,000 these days.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. CULKIN. Does the gentleman believe, in view of the fact the Postmaster General presented some of these stamps or one sheet of these stamps to honest Harold Ickes, the relations between these two gentlemen are now cordial?

Mr. FISH. Well, they are two pretty artful politicians and manipulators. I have never worried about the relations between these two gentlemen. Those matters are just temporary.

I disclaim any personal feeling. The gentleman from New York has introduced a resolution and has put it squarely up to the Democratic Party. Personally, I like Mr. Farley. I think he is a genial politician. He lives in my State, and I want to see him given a chance to be heard before a committee of Congress. What are you going to do about it? Are you going to try to cover it up, or are you going to give him a fair hearing before a committee of this House? I do not know whether there is any spokesman here for the Committee on the Post Office and Post Roads on the Democratic side, but if there is I yield to him.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield the gentleman 10 more minutes.

Mr. FISH. Mr. Farley is likewise the chairman of the Democratic National Committee and chairman of the New York Democratic State Committee. He is a very skillful political manipulator, who believes that patronage—and, of course, Democratic patronage—is synonymous with patriotism.

Mr. Farley has control of a large part of the patronage of this Government; and if these charges that have been made—and I am sure my colleague [Mr. MILLARD] made them in all sincerity—are not investigated, then you have the responsibility as a party of having a national chairman, with this vast control of patronage, who wallows in patronage like a rhinoceros in an African water hole, being above the law. Mr. Farley has done more to break down the civil service, to destroy the merit system, and to build a spoils system than any other man who has ever lived in America. I suppose every Republican on this side knows of such instances. I know in my district where Republican postmasters have been removed because they did not answer a letter 2 years ago or because they failed to put up the American flag on Christmas Day.

I am a partisan, and I believe in partisan politics, and I believe the party in power should have the plums, but never in all our days of Republican administrations, going back for many years, were postmasters thrown out all over the country as ruthlessly as Mr. Farley has thrown them out. This is really destroying civil service, and it is time that there should be some investigation of the various charges that have been made on the floor of the House.

I am a little loath to speak any further on Mr. Farley. Mr. Farley is also a great mathematician. He is able to produce a surplus when the Bureau of the Budget finds there is a deficit of \$62,000,000 in the Post Office Department. Mr. Farley finds a surplus of \$12,000,000.

And he parades it—that is what the Republicans do not like—he parades it all over the country to show the efficiency of the Post Office Department. He parades this new-found surplus of \$12,000,000.

What is the truth? The truth is that he deducts the cost of the air mail and the ocean mail and the franking privilege. You Members of the House are blamed for everything.

Under Mr. Farley's Democratic administration in the last year the franking privilege for Government mail has increased from \$14,000,000 in 1 year to \$23,000,000. That is for the mail franking privilege of the Government, exclusive of Congress.

Now, both Republican and Democratic Members are blamed back home for the franking privilege. The American people think that everything that goes out under a frank is from Congress. They think that you are wasting the Government's money.

The fact is that the franking privilege of the House and the Senate costs only \$700,000 a year, and it has not increased for many years, and yet you are blamed for everything that goes out under a frank. But the franking privilege of the Government, exclusive of Congress, has been increased in 1 year from \$14,000,000 to \$23,000,000 in the past year.

I am willing to admit that these different subsidies can be put into the extraordinary budget, for I see that the gentleman from Texas [Mr. BLANTON] is getting worried about it. But what is not proper is the fact that in the alleged surplus Mr. Farley does not refer to the fact that there were \$8,000,000 transferred from the Treasury to the Post Office Department for the maintenance of post-office buildings, and then there was \$2,000,000 carried on the budget for the Shipping Board which was likewise transferred to the Post Office Department. There will probably be \$10,000,000 more to take care of the retirement pay of post-office employees which Mr. Farley has let out of the Government who come under the retirement bill, and that will cost \$10,000,000 more. When you add all these sums up, instead of having a surplus of \$12,000,000, you will find an enormous deficit. But do the people back home know about it? How can they know about it when Members of Congress do not know it? How can you expect the people back home to learn the facts?

Mr. ARNOLD. Will the gentleman yield?

Mr. FISH. Yes.

Mr. ARNOLD. Does the gentleman think that men should be kept on the pay roll in the Post Office Department when the service does not need them?

Mr. FISH. Certainly not, I am talking about the financial set-up. I do agree with the remarks on the floor of the House, that the Post Office Department is rendering efficient service at the present time.

Complaints are coming in every day about the loss of efficiency in the handling of Government mail, and I get that from Democrats, too. Of course you can have a surplus, if you throw out everybody in the Post Office Service. I do not know how many should be thrown out, but I do know that the public is entitled to an efficient service, and that the service today is not efficient.

Mr. ARNOLD. Can the gentleman tell us wherein it is not efficient? I think we should deal in facts now, and not generalities.

Mr. FISH. I can submit all kinds of complaints, and every other Member of Congress on this side can submit complaints from his own constituents about the increasing inefficiency of the Post Office Department.

Mr. ARNOLD. Mr. Chairman, will the gentleman yield further?

Mr. FISH. I cannot yield further, but let me say this. My time is drawing to a close. How in the name of goodness can you expect to have an efficient Post Office Department when the Postmaster General is never in Washington. He is around making Democratic speeches as national chairman, attending dinners given to Democratic governors, and attending sessions of the New York State Legislature to whip recalcitrant Democrats into line. The only time he ever comes to Washington is to give some of these imperforate sheets of stamps to some of his friends on the preferred list.

Mr. ARNOLD. Mr. Chairman, will the gentleman yield?

Mr. FISH. I have already yielded three times and I cannot yield any more.

Mr. ARNOLD. If the gentleman knew these conditions existed and there was not efficiency in the Post Office Department, why did he not come before our committee, who have charge of such matters, and tell the committee wherein there was a lack of efficiency? I am sure that the committee would have given consideration to anything that the gentleman has said along that line. Instead of that, he did not come to our committee.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. TABER. Mr. Chairman, I yield the gentleman 2 minutes more.

Mr. FISH. Mr. Chairman, the gentleman knows more about the Post Office Department than I know, and he knows that these complaints are broadcast all over the country, not in my own district alone.

Inasmuch as this seems to be a field day, and we have included almost everybody, for the sake of some of my Democratic friends from New York, I want to complain now about the attitude taken by Mr. Ickes, Secretary of the Interior, in refusing to loan any more money to the Tri-Borough Bridge Authority in the city of New York, because Robert Moses, who was the Republican candidate for Governor in the last election in New York, is on that board. Mr. Ickes gave no reasons whatever, but the press back home in New York are unanimously opposed to this action as being cheap peanut politics, refusing to give the allotment that has already been made to the Tri-Borough Bridge Authority because there is a Republican member on that board. Mr. Moses is a man of the highest character, ability, and training, satisfactory to the mayor of New York City, and the citizens of that city. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. ARNOLD. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. MEAD].

Mr. MEAD. Mr. Chairman, I am very much interested, of course, in the pending measure, and in my capacity as Chairman of the Post Office Committee, I intended to make some observations with regard to the salient features of the bill, which I feel should be brought to your attention, but I shall deviate from the items I originally intended to discuss with you for a moment or two to answer, if I can in part at least, what has been said during the course of the debate this afternoon. I preface my remarks by telling you of the friendship and regard which I have for my two distinguished colleagues from New York, who have resented in righteous or unrighteous wrath the activities of our genial Postmaster General. I say to my distinguished friend [Mr. FISH] that I shall not enter into a controversy with him with regard to the unusual ability of our Postmaster General to handle so efficiently more than one important and responsible post. That is an exceptional feat which can only be accomplished by few men. I will allow some one else to make answer to that particular subject.

I want to talk about items that particularly affect the appropriation for the conduct of the Post Office Department, which have been mentioned here this afternoon. We have had some discussion with regard to increased cost of handling free and penalty mail, and I exonerate the Postmaster General and the Department from being in any way responsible for any increase in that connection. You can find an adequate reason for that increase in your own office and I can in mine.

Never in all the history of the American Congress have the people of this Republic been awakened to such an intense interest and concern with their Government as is the case today. The depression, the economic situation, and above all the magnetic personality in the White House that guides the destinies of this country have brought the people into close contact with their Government. The efforts at recovery on the part of the N. R. A. and other emergency agencies have filled the mail, and of course have added expense in the operation of this Department. So the in-

crease in expenditures chargeable to free and franked mail is both justifiable and reasonable.

The transfer of funds from the Treasury Department to the Post Office Department for the custodial care of post offices and Federal buildings is a reasonable charge and the Department will be called upon to spend more money in the future. The Post Office Department will be called upon to take care of Federal buildings in which are housed other governmental activities. It is just another load the Post Office Department will have to carry.

The increased cost as a result of retirements, the voluntary and involuntary separation from the service of postal employees is in my judgment no cause for worry. Many men who labor for a living have been hoping for the day when they could enjoy surcease from their labors after being employed for 30 years in any one given job. In the Post Office Department, as a result of a law enacted by Congress, men, who, because of some physical incapacity or because of some apparent inefficiency, are now able to take their retirement after 30 years and enjoy in dignity and comfort their later years.

It makes for a more efficient personnel. We have a more efficient personnel now than at any time in the recent history of the Department.

Something was said about the free distribution of un-gummed and unperforated stamps. Of course, I have no argument with anybody who would raise that question on the floor of the House, but I have made a search for a law which makes an act such as that illegal, and up to the present time I have failed to find such a law. So the Postmaster General was perhaps within his rights in buying and presenting to his personal friends such stamps as he might have distributed. It may have been contrary to the rules of certain philatelic societies. As to that I do not know. But I do know that the stamps were given to personal friends out of the generosity of heart of the Postmaster General. Men who know the Postmaster General know that he has been a very generous giver for many years. I do know from the record, however, that the Postmaster General has increased the activity of the philatelic division just as he has increased the activity and efficiency of other bureaus of the Department. When he became Postmaster General the receipts of the philatelic division amounted to about \$300,000 a year. Last year the receipts of that agency exceeded \$900,000, which, in my judgment, indicates that he has been reasonable in his treatment of the stamp collectors of the country, and popular with them as well.

Now that I have made a partial and probably inadequate reply to some of the criticism that has been made I want to say something about the surplus and deficit which we hear so much about. This should not be a partisan discussion, as far as the surplus and deficit are concerned. We have had this subject before our committee ever since I became associated with it, some 14 or 15 years ago. It was a former Republican Member of this House, and a distinguished Republican Member, who because of the bitter criticism aimed at the Department year after year that sponsored the legislation directing the Department to charge off certain subsidies and free services. It was the Kelly postal policy bill, which authorized the Postmaster General to credit the Department with the cost involved in handling these services. Is it fair to force the Department to assume the burdens which we imposed upon them when we passed the air-mail subsidy, the ocean-mail subsidy, a combined subsidy of some \$42,000,000? Is it fair to condemn and criticize them for bad business practices when they are unable to develop a surplus under such conditions? Is it not enough to hold the Department responsible for the development of aviation and the maintenance of American flagships on the seven seas of the world? There is not a business in America, let alone a public enterprise, that could hope to be successful and at the same time to carry on so many activities, as is the case with the Post Office Department.

Yes; the Postmaster General indicated that a surplus of \$12,000,000 would be possible in the last fiscal year.

The CHAIRMAN. The time of the gentleman from New York [Mr. MEAD] has expired.

Mr. ARNOLD. I yield the gentleman 5 additional minutes.

Mr. MEAD. The Postmaster General indicated that the fiscal year would show a surplus of \$12,000,000. His figures were based on the record and the law which shows that the surplus was in excess of \$12,000,000. The Treasury Department indicated that a deficit amounting to upward of \$50,000,000 obtains. Both figures are right. The Treasury Department, of course, is interested in the dollars and cents cost of running the Department. The Post Office Department, in keeping with the law, absorbed the bill for the subsidies, defrayed the cost of distributing franked and penalty mail, assumed the charge for distributing mail matter for the blind, as well as that resulting from the distribution of newspapers free in counties and some other costly services from which there was no revenue at all for the Department, and then, in keeping with the law which Congress enacted, it charged off those free services, and the record then indicated a surplus. The Postmaster General was absolutely within his rights, and if he did anything different he would be doing so in violation of law.

Mr. ARNOLD. Will the gentleman yield?

Mr. MEAD. I yield.

Mr. ARNOLD. As a matter of fact, did not the former Republican Postmaster General recommend this law that is known as "the Kelly postal policy law", which was written upon the statute books, and under which these credits have been taken?

Mr. MEAD. Yes. The report accompanying the Kelly bill, which was passed on June 9, 1930, indicated that it was presented with the support and approval of the Postmaster General.

Mr. ARNOLD. And this same system of accounting was adopted by the then Postmaster General, Mr. Brown, and has been in vogue ever since that time?

Mr. MEAD. The gentleman is correct. This is not the first time. This is the fourth time that this method of reporting postal expenses and revenues has been carried out.

Now, Mr. Chairman, I wish to say something about what we on the committee intend to do during the course of the session this year. We have been investigating the Post Office Department for a period of 2 years, seeking a basis for legislation which will increase the efficient operation of this great Department of the Government. It was our committee which recommended that the Government purchase substations, garages, and postal annexes. We found, for example, that the Quincy Street Station in the city of Chicago was leased to the Government at such an exorbitant rate that we were paying for that building every 5 years. That was one of the many instances in which the Government was being mulcted out of millions of dollars.

As a result of this activity of our committee, legislation was finally enacted which permits the Government to purchase or construct substations where the lease is in excess of \$6,000 a year. That is in the P. W. A. Act, but it is only temporary. We desire permanent legislation, and we will recommend such legislation before the end of this session.

Our committee recommended that the mail boxes, such as those located in your hallway and mine, be receptacles for postal matter and for postal matter alone. They were formerly stuffed with circulars, advertising matter, papers, and everything one could think of which in no way added any revenue to the Department. Some years ago we enacted a law which prevented the stuffing of rural letter boxes, and last year we succeeded in securing the enactment of a law that prohibits the stuffing of city letter boxes. This has resulted in a noticeable increase of the revenues of the Post Office Department. The cancellation of exorbitant leases has also increased indirectly the revenues of the Post Office Department.

Last year we passed a measure that would prevent an outside company from competing with the Department on what is primarily a postal monopoly. We stopped outsiders

from delivering mail matter, and as a result we have diverted millions of dollars in revenue to the Department. In one case a corporation paid back to the Post Office Department \$900,000 as a result of this law.

So, my friends, during the coming Congress we want your support and cooperation to make it possible for the Department to buy, own, and maintain its own substations, branches, and garages. I personally would welcome your help in securing the passage of a bill that would enable the Department to buy abandoned National and State bank buildings. I should like your help also to secure the passage of a bill to enable the Comptroller General to review contracts before they are actually let, particularly contracts with regard to the purchase of motor trucks by the Post Office Department.

The Postmaster General in the preceding administration, during the last 2 years of his service, came before the Appropriations Committee and secured appropriations sufficient to buy trucks, automobiles, and supplies that will, in my judgment, last for years. Today there are some 250 trucks stored away—yes; rusting away, if you will—in the various garages located at post offices throughout the country. A great loss has been sustained because of the unnecessary purchases of trucks and supplies by this Department. Not a truck has been purchased by the present administration of the Post Office Department, because they are trying to use this surplus. We want legislation which will prevent such a thing from occurring in the future, even though it is not occurring at the present time. [Applause.]

[Here the gavel fell.]

Mr. ARNOLD. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, I am afraid that our distinguished friend from New York [Mr. FISH] is degenerating.

When he was in Harvard and did the unusual thing there of graduating in 3 years, he had his head high up in the air; he was not playing mumble-the-peg down in the dirt.

When he was captain of his great Harvard football team and was their great right tackle, from all of their huddles he had his head up. His orders were: "Up!" He did not grovel in the dirt.

When he was a member of his general assembly for three terms, he was not groveling in the dirt. Head up!

When he went to France serving his flag and his country under, I will not say any easy conditions, obeying orders like a soldier, serving under difficulties—his head was up; he did valiant service for his country, had the Croix du Guerre conferred upon him for his distinguished service.

Since he has been in Congress he has not been groveling in the dirt until now. He has done wonderful work fighting the Communists of the country that have been seeking to undermine this Government and other governments.

What has come over him? Is he disintegrating; is he degenerating? He says that the Postmaster General bought the first few sheets of stamps of these special issues and possibly gave one or two to his children, possibly gave one to the President who presides in the White House, possibly gave one to some other Cabinet officers—stamps bought and paid for at the same price that other people paid for them, with money which went into the Treasury of the United States.

Mr. FISH. The gentleman does not want that to go in the RECORD, surely, when no individual could buy imperforated stamps except those on the favored list of the Postmaster General.

Mr. BLANTON. I am not talking about the exorbitant prices paid by stamp collectors; I am not talking about the \$50 that one of my constituents paid here on Pennsylvania Avenue once for a seat in a window to see the President pass by; I am not talking about the \$50 that two of my constituents once paid to conscienceless scalpers to see an Army-Navy football game; I am talking about the regular price of these stamps. And I am not upholding having them imperforated and unglued. They should have been made all alike. But there was no dishonesty.

Why, I can remember during the war—we men who served here in this House frequently saved some memento—when President Wilson once sent an important message here, it, as his messages always did, came under his seal. When that big envelop was opened and his message was taken out, I got the Speaker of this House to give me that envelope with the President's seal on it, and I have it in my scrapbook now. Some of these days it might be worth some money; but does the gentleman think I would sell it? Does the gentleman think that Postmaster General Farley would sell imperforate stamps that he kept because he was a part of the Government that issued it as a little memento of his service? Ah, my distinguished friend from New York, who has done valiant service for his Government, is now groveling in the dirt, playing mumble-the-peg.

Mr. FISH. Mr. Chairman, will the gentleman yield? I know the gentleman wants to let me get out of the dirt, even though the Democratic Party did try to smear President Hoover for a number of years.

Mr. BLANTON. I yield, although President Hoover smeared himself.

Mr. FISH. I am sure the gentleman does not mean to guarantee that these imperforate stamps will always be held by their recipients as souvenirs.

Mr. BLANTON. I imagine that the gentleman could not buy them with all the money he has.

Mr. FISH. Can the gentleman say that they will not be sold by the estates of these gentlemen?

Mr. BLANTON. If I were one of the posterity, you could not buy them for any amount of money. It would be a memento handed down to grandchildren as a family heirloom.

Mr. FISH. Some of them are on sale now.

Mr. BLANTON. Oh, possibly a few of these stamps may have gotten out and perhaps may have been offered for sale, but I will guarantee that those the President, the Postmaster General, or any other Cabinet officer or their family may have you could not buy for money.

The gentleman talks about the Postmaster General being away from Washington all the time. Why, he is the most approachable Postmaster General I have ever seen in my service here, and I say that remembering that we had a splendid one from my own State, Mr. Burleson, one whom we could all see at all times. The present Postmaster General is the most genial Postmaster General who ever sat in a Cabinet, and he is the most approachable and most friendly one. What gentleman here will say that you cannot see your Postmaster General? You may see him if you will ask to do so. In other words, you cannot sit here and not let him know you want to see him. He is not going to invite you down there.

Mr. FISH. How are we going to see him if he is not in Washington?

Mr. BLANTON. Oh, he is here most of the time. I will tell you the kind of Postmaster General that the gentleman from New York is used to. He is used to the one who after he came here, his feet did not grow, but his head did. He had to have a special limousine built with an upstairs compartment to it to hold his silk hat, and this was at the expense of the people. They made inside contracts down there for Government subsidies to air mail companies that were a stench in the nostrils of every decent, honest man. The present President and present Postmaster General had to set them aside. That is what is troubling the gentleman from New York. He is used to the Brown high-hat kind of a Postmaster General.

May I say to the gentleman from New York that they may be able to find these little measly, infinitesimal things to fuss about; but they will not find any dishonesty. If there is dishonesty, you will find the Democrats themselves throwing the light of day on the matter, and they will be the first ones to do so.

Look at all the money the Democrats spent during the World War, and much was wasted, but there was no dishonesty. You had your Republican smelling committee, your Graham of Illinois committee that wasted thousands

upon thousands of dollars trying to dig up something. You could not find a dishonest act. You sent your Joe Walsh committee out to California in a special train of sleepers, spending thousands of dollars snooping around, but you could not find a dishonest act. Oh, you looked for it, but you could not find any dishonesty. After all that has occurred since that time, I am surprised that the great football star from Harvard would get up here and make the kind of a speech he made here today.

[Here the gavel fell.]

Mr. ARNOLD. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. BLANTON. I want to ask the gentleman from New York if it is not a fact that your Republican Secretary of the Treasury, Mr. Cortelyou, was not only Secretary of the Treasury but also Republican National Committeeman who handled your Republican campaign?

Mr. FISH. May I say to the gentleman from Texas that no Republican Postmaster ever gave away a lot of unperforated stamps to a favored list.

Mr. BLANTON. The gentleman is just pulling another mumble-the-peg out of the ground with his mouth.

May I say to the gentleman from Massachusetts [Mr. GIFFORD], who got up here after the speech of the other gentleman from Massachusetts [Mr. TREADWAY] and said I voted against a resolution to stop tax-exempt securities, I will show him from the RECORD that we called attention to the fact that that make-believe resolution which the gentleman from Iowa [Mr. Green] brought in here never touched the \$15,000,000,000 tax-exempt securities already existing and in the hands of such men as Andrew W. Mellon, Ogden Mills, and that bunch. It never sought to touch them. It was just a makeshift, and I made Mr. Green admit it on the floor. I will also show in the RECORD my colloquy with Mr. Green, who admitted it would not touch them. Naturally I voted against the makeshift resolution.

I quote from the CONGRESSIONAL RECORD the remarks I made at that time:

Mr. BLANTON. Mr. Speaker, as a reason and necessity for offering this proposed amendment to the Constitution, its proponents say that the wealthy men of the United States have invested their resources in tax-exempt securities and are thus dodging the legitimate taxes that should be due the Government proportionate to their wealth, and that money is in this way kept out of industrial developments. It is therefore a measure purporting to be aimed against rich tax dodgers.

It may be that the gun is pointed in the right direction. But its cartridge seems to be a blank, for it contains no missile that will ever strike the intended target.

This proposed amendment in no way applies to the \$15,000,000,000 tax-exempt securities now existing and now held by the financiers of Wall Street. It is purposely drawn so that it will not affect them adversely, for it is made to apply only to such securities as may be issued after such amendment is adopted. It would not in any way collect any tax from the income of the forty-odd millions of dollars left in tax-exempt securities by the late William Rockefeller, mentioned by the distinguished gentleman from Ohio [Mr. Burton], nor would it collect any tax from the income of the many millions of dollars which it is estimated that our present Secretary of the Treasury [Mr. Mellon] now has invested in tax-exempt securities, because this amendment is purposely so drawn that it will not apply to them or to the holdings now withheld from taxation by the many millionaires of the country, for they already own all of such securities they are financially able to absorb, and therefore they have ceased to be interested in any more of such tax-exempt securities being issued, especially when by stopping all additional issues in the future it will automatically enhance the value of their present holdings from \$2,000,000,000 to \$3,000,000,000 overnight. It is this enormous profit that these financiers expect to enjoy, coming to them overnight by the passage of this amendment, that causes the moneyed interests of the Nation to back this legislation.

#### WEALTHY FINANCIERS CANNOT ABSORB PRESENT ISSUE

Both the chairman [Mr. Green of Iowa] and the gentleman from New York [Mr. Mills] will admit that the very wealthy men of the United States cannot now absorb all of the \$15,000,000,000 tax-exempt securities already existing. They now have all they want. They now have all that their finances will buy. Since this amendment will not affect them, they will continue to dodge taxes and escape payment of taxes for the next 20 to 50 years, because these securities run from 20 to 50 years. Hence all new issues of tax-exempt securities must be absorbed by the medium rich and those in ordinary circumstances. Hence, let me ask the committee, in what way is this proposed amendment making these rich tax dodgers come up to the lick log and pay on their big incomes? Why, in no way whatever.

## I FAVOR AN AMENDMENT THAT WILL REACH THEM

Mr. Speaker, inasmuch as the present law will not reach these tax dodgers, and in view of the fact that the amendment now proposed by the committee will not reach them, they still would not be reached no matter whether we pass or defeat this amendment. Hence, the only way to reach them is through some other proposal. And I offer a substitute that will reach them. Any my proposed substitute, when made a part of the Constitution, will in no way hamper or adversely affect the market for tax-exempt securities, will in no way prevent or hinder States or municipalities or farmers' organizations from issuing such securities in the future, and will in no way change the exempt status of income derived from such securities from being not amenable to taxes, and it in no way commits any breach of good faith on the part of the Government concerning such securities, but it merely limits the amount of tax-exempt securities any person or corporation may accumulate and hold and thereby escape paying taxes on the income derived from same.

## GOVERNMENTS DO NOT EXPECT LOYAL CITIZENS TO DODGE PAYMENT OF ALL TAXES

For instance, loyal citizens cannot contend that it was to be expected that simply because certain necessary securities for the development of municipalities were exempted from taxation that loyal citizens of great wealth would invest all their millions of dollars in such securities so as to avoid having to pay any taxes whatever to the Government, but it was expected that such securities would be distributed and absorbed by the whole people of the Government, and that men of great wealth would not conspire against their Government to relieve themselves of all duties and obligations as citizens. But the death of Mr. William Rockefeller demonstrated that one wealthy man purposely invested over forty-odd millions of dollars in tax-exempt securities in order to escape the payment of taxes to the Government, and it is estimated that Mr. John D. Rockefeller has over \$60,000,000 in tax-exempt securities.

And since the Secretary of the Treasury, Mr. Mellon, has seen fit not to accept the challenge of Senator COUZENS to make public the amount of his great wealth that he has invested in tax-exempt securities, it may be presumed that he is escaping taxation on quite an enormous sum. The policy of this Government against such practices should be expressed in its Constitution.

## MY SUBSTITUTE HAS TEETH

When the proper time comes I shall offer as a substitute for the committee proposal the following:

"SECTION 1. The United States shall have power to lay and collect taxes on income derived from all tax-exempt securities owned by any person or corporation in excess of the maximum amount of such securities which Congress by appropriate legislation shall determine may be owned by a person or corporation free from taxation. And when Congress determines the maximum amount of tax-exempt securities which may be owned free from tax on income by a person or corporation, the income from all tax-exempt securities in excess of such maximum owned by any person or corporation shall respond to the same rate of taxation as income derived from all other sources."

And with such an amendment as the above to our Constitution, I am in favor of this Congress then passing a law fixing \$100,000 as the maximum amount of tax-exempt securities any person or corporation may own. This would prevent taxdodging, would not interfere with the right of States and municipalities to issue securities, and would not hurt the market for same in any way.

I will guarantee that neither of the gentlemen from Massachusetts will go as far as the above position taken by me many years ago in this House.

Let me quote a little of the colloquy that occurred between the gentleman from Iowa [Mr. Green] who, as Chairman of the Ways and Means Committee, then had the resolution in charge:

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. BLANTON. The gentleman said that big finance did not absorb the \$13,000,000,000 which already exists in tax-exempt securities. How much can it absorb?

Mr. GREEN of Iowa. Oh, not one-half of it.

Mr. BLANTON. The gentleman says that it cannot absorb one-half of that, and that the purpose of this amendment which the gentleman says he introduced and which we recognize as the same as our friend from New York [Mr. Mills] introduced—

Mr. GREEN of Iowa. I do not want the gentleman to make a speech in my time.

Mr. BLANTON. If they cannot absorb half of those which exist, how are we going to reach them, when we do not make this amendment apply in any way to the income from those which already exist, but only to future issues?

Mr. GREEN of Iowa. You cannot reach them or affect them, nor will this amendment materially affect the price of the securities which they now own.

Mr. BLANTON. But the gentleman can make his amendment apply to existing tax-exempt securities.

I have put in the RECORD at this point, Mr. Chairman, the foregoing quotations from the debate that occurred on the Green resolution many years ago which discloses just why

I voted against, and why some of the leading Democrats of this House then voted against, that makeshift piece of legislation specially prepared by Ogden Mills so that it would not hurt him or Mr. Mellon, or any other multimillionaire holder of tax-exempt securities.

Voting on the other side from us Democrats were Ogden Mills, Frank Mondell, Republican leader; Tilson, of Connecticut, afterward Republican leader; Snell, of New York, the present Republican leader; Campbell, of Kansas, then Chairman of the Rules Committee; Crowther, Fish, and Reed, of New York; Longworth, afterward Speaker; Mapes, Michener, Knutson; Green of Iowa; and many others of your bellwether Republicans. [Applause.]

[Here the gavel fell.]

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD and to include therein the excerpts I mentioned.

Mr. MARTIN of Massachusetts. What are these excerpts?

Mr. BLANTON. The excerpts I mentioned in reference to tax-exempt securities.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. FISH. Mr. Chairman, I make the same request.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Chairman, with reference to this act on the part of the Postmaster General giving these ungummed and unperforated stamps to certain individuals, I do not wish to be understood as implying any dishonesty on the part of anyone connected with that matter. However, in my opinion, if the present holders of those stamps should die without bequeathing the stamps to some specific individual, the administrator of the estate would be forced to have those stamps appraised at their present value, which in many instances would be thousands and thousands of dollars, and then the heirs would be confronted with the question of deciding whether or not any one of them had a sufficient amount of sentiment to have their share of the estate assume that rather large price for those particular stamps.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 20 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, it is a far cry from the distinguished personality who comes from New York City, Mr. Farley, to the cotton fields of the South. By the same token I suppose it is a matter of presumption on the part of one who has been reared in the cornfields of Illinois to address himself to the subject of cotton, but I do so as a continuation of the discourse that took place here some 2 weeks ago, since what I have to say deals in an indirect way with the question of reciprocal trade agreements.

I stated at that time that I did not necessarily follow Mr. Henry Wallace in his theory that we had to adopt either extreme nationalism or internationalism. Yet, as between the two, I prefer the former, for it affords an outlet for this country and a chance for the building of a very durable kind of prosperity independent of any other nation. We must give more and more attention to this matter of economic domestic self-containment.

This brings me to the subject of cotton. Seventy-five years ago a distinguished Senator from the State of North Carolina stated at that time that no country on the face of the earth would ever dare make war on cotton. He cited the fact that if England undertook to make war on this country so that the cotton crop was bottled up, or if there should be a drought in this country seriously affecting the cotton crop for as much as 3 years, England would topple from her throne. Senator Hammond assumed that American cotton presided over the commercial and economic destinies of the whole wide world by virtue of the fact that our cotton was essential to every foreign nation. It is rather singular that

a United States Senator should make this statement 75 years ago and that today we find the President and our trade experts cudgeling their minds with respect to a possible international cotton agreement whereby acreage on cotton might be limited.

I want to discuss very briefly this matter because it is indirectly concerned in the bill which extends the life of the Reconstruction Finance Corporation, and which comes before us for deliberation tomorrow.

The other nations of the world have not been idle insofar as the cultivation of cotton and the expansion of their cotton acreage are concerned. Britain never did forget the painful lesson of 1861 and 1865 and determined to project herself into a position where she would no longer be dependent upon the American Southland for cotton. In 1900, with the King's blessing, they organized the British Cotton Growers' Association and under a subsidy and under the tutelage of Great Britain they have been doing a tremendous work. I shall just briefly allude to what they are doing down in the African Sudan, for instance, a great country with almost 1,000,000 square miles available for cotton production, of which 5,000 square miles of very fertile, black soil is already given over to cotton production, with the possibility that some day Great Britain will by diplomatic negotiations be able to wrest from Egypt control of that area, known as "Lake Tsana", wherein so much water from the blue Nile can be impounded as to make the Sudan bloom like the rose and destroy the world market for American cotton. Knowing how astute the British diplomats are, the day is not very far distant when they will have this concession and then they can expand their cotton acreage to their hearts' content.

It is rather interesting to note that not only are they expanding the cultivation and growth of cotton in the Sudan, but they are doing it in Asiatic Turkey, they are doing it in Afghanistan, they are doing it in Brazil, they are doing it in Peru, and in all the far corners of the earth. Witness what the vice president and general manager of the world's largest tractor company, in East Peoria, Ill., told me not very long ago: That the shipment of tractors to the Argentine and to South America generally, for the purpose of breaking up these coffee plantations and turning them into cotton plantations, has exceeded their fondest anticipations, and they have shipped more tractors to South America for this purpose in the last fiscal year than they have at any other time in the history of that business.

This shows that in proportion as we curtail acreage and go backward year after year, these other countries are expanding their cotton domain, and certainly, once they break ground and tool up for an expansion of cotton cultivation, they are not going back to a status quo, even if our own State Department and the President of the United States are desirous of establishing some kind of international limitation upon the production and the cultivation of cotton.

In this connection it is rather illuminating to read the report of the Department of Commerce that was got out not so long ago in which they show very conclusively that the exportation of cotton gins for the last 5 years has been greater than at any time in the trade history of this country. They do not use cotton gins to shell peanuts or to process clover or alfalfa or anything of that sort. They use them to process cotton, and when they ship cotton gins to Brazil and Peru and India and China and Turkey, it means that the cultivation of cotton in those countries is gradually being expanded with a view to maintaining the permanence of such expansion.

It is only a matter of 10 or 15 years until the South is going to be in a serious predicament, and whether we resort to these so-called "reciprocal trade agreements" and other artificial trade devices, or not, these are but makeshift remedies that fail to recognize that some day other countries with depreciated currencies, child labor, cheap labor, long hours, low living standards will by the very impelling reason of lower prices take away our cotton trade and leave us with an acute problem and a headache.

They just rendered a balance sheet for the Sudan Plantations a short time ago and it is a rather amazing thing that this corporation started into cotton production subsidized by Great Britain, and that last year when cotton was only bringing 9.7 cents a pound, it still made a profit of \$800,000, added \$150,000 to its reserve and contingent fund, declared a dividend of 6 percent, and then, by action of the board of directors, decided to expand their cotton cultivation by 20,000 additional acres.

They did this on a basis of 9.7-cent-per-pound cotton, when seemingly we have not been able to do it, and this embodies the very thing I have pointed out before, namely, that when we get to a price market where all nations are on the same basis so far as mass-production facilities are concerned, we cannot hold a candle to them by way of competition; and certainly not to Japan or any other country that adopts these devices for mass production just as rapidly as they are invented and perfected and commercialized, and has the additional advantage of long hours, starvation wages, and cheap money.

It might be interesting to comment just at this time that in my estimation, at least, the great troublesome question in the Orient right now and the reason Japan is so anxious to slice off a hunk of Mongolia and to secure control and domination of Jehol is only because Jehol is that part of the Chinese domain that is best adapted to the production of cotton. Once Japan acquires this territory, whether by force or diplomacy, she will gradually push the spinning, weaving, and textile business of England on the rocks unless England develops cotton in her own colonial domain and removes some of her manufacturing plants to the Orient. This cotton race will be like a huge nutcracker to our own cotton industry, and then our real troubles will begin.

Let me point out that the trade report of Japan in the last year shows an increase of 700 percent in the export of woolen piecegoods, 500 percent in the export of woolen yarn, and 300 percent in rayon yarn. Why? Because it is better? No! Because they sell much cheaper. Prices talk. The depression of the yen, together with child labor and cheap labor, makes it easy for Japan; and she can go into the world's price market and lick us at our own game. [Applause.]

We are not going to take a chance on lowering living standards in this country in order to compete with Japan. American labor would not stand for such a proposal, and rightly so. Yet, instead of giving serious thought to this matter and considering it in the light of developments in the next 10 or 15 years, we complacently wait for trade treaties and reciprocal agreements to give us a remedy, when as a matter of fact we are daily verging toward an intense world condition, where every country of consequence is trying to produce the same agricultural products, the same manufactured products, and enter into swapping agreements. The picture does not make sense and it is little wonder that the southeastern division of the National Chamber of Commerce of the United States, meeting in Birmingham, Ala., in November of 1934, expressed its alarm not only over the acute condition with respect to cotton but to the curtailment of cotton acreage while other nations were increasing theirs.

Since cotton is the money crop of the South, this whole picture has serious national implications. Shall we continue to fight what seems to be a losing battle in an intensive world trade with our living standards at stake and the prospect of continued processing taxes which impair the vitality and purchasing power of the Nation, or shall we do the sensible thing and undertake a program of diversification which will take care of this condition when it finally becomes acute? My own humble opinion is that diversification is the answer, and sooner or later other crops, other industries, must be found to take up the slack that is sure to come.

Mr. DEEN, the gentleman from Georgia, came before our committee the other day and said that it would be beneficial to amend the R. F. C. Act so as to make it possible for the Reconstruction Finance Corporation to make loans for the

purpose of financing the establishing of paper-pulp mills in the South; to make it possible to buy land and cultivate slash pine so that they could develop a far-flung paper industry in this country.

I want to say a word in behalf of this thing because I am in favor of this proposal of Mr. DEEN for the development of not one but a lot of pulp mills in the South. Just now we are importing \$170,000,000 worth of pulp into this country for paper purposes from the world. We get some from Finland, some from Sweden, and plenty from Canada. In fact, for a long time Canada was monopolizing the pulp trade; and it seems to me that we cannot only save and keep at home the \$170,000,000 but can go ahead and expand the pulp industry of this country and use up a great many of those idle acres in the South and then give employment to a great many people who are unemployed at the present time. About 10 or 15 years ago much of the manila or kraft paper used in the United States was produced in Canada. They said that we could not manufacture it here because there was too much resin in the southern pine.

That is just the proverbial poppycock that you see once in a while in the newspapers. In the last 10 years our production of manila or kraft paper in this country has doubled, and the exports of Canada to this country have decreased by over 60 percent. I maintain that when there is an opportunity to develop an industry of that kind in this country, irrespective of whether it is in the Corn Belt or in the South, we ought not to be stingy in allowing it money. There is a potential advantage in that for labor. It is no longer an experiment, because in 1933 they sent pulp from Savannah, Ga., to Canada to be processed into paper. It went up in three refrigerator cars. It was purely an experiment, conducted under the supervision of Dr. Herty, and they found that the slash pine in Georgia would make a grade of paper not only equal to that which has come out of Canada all these years, but infinitely better from the standpoint of the coating, the surface, and the smoothness and all those other characteristics that go into newspaper. It is no longer experimental. All they need is the money with which to go ahead, and I for one am willing to strike the date out of the R. F. C. Act whereby only those industries organized prior to the 1st of January 1934 can get the benefit of that industrial-loan section of the act. Here we have a chance to diversify the production of the South, to prepare for the time when there will no longer be an outlet for cotton and cotton goods in all the four corners of the earth, when we will have to yield to the astuteness and ability of a lot of other countries that have applied the same mass production that we have, and then we shall have replacement industries on which to fall back.

Conditions are ideal for the establishment of such a new industry. Our C. C. C. camps have set out millions of pine seedlings in the South. Slash pine will yield more cordage per acre than the finest timber in any country on the globe. A single pulp mill, with 500 tons' daily capacity, can utilize all the pine grown on an area of 300 square miles. In Canada it would take 2,000 square miles to supply such a mill. Slash pine re-seeds itself and is fast growing. From \$3 to \$4 per ton could be saved on the cost of the wood for pulp alone.

It has been estimated that the conversion cost of slash pine into paper in the South would be about \$19 per ton as compared with \$28 in Canada.

When no less a person than the chief chemist of one of the leading paper companies in Canada will state before the Canadian Technical Society in Montreal that the United States is in a position to take the leadership in the production of paper pulp, that should be evidence enough that we have on our very doorstep the making of a great industry that will contribute materially to our well-being, absorb the unemployed, and take us on the way to economic independence.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. MICHENER. If that policy is carried out, how will it synchronize with the present method of making treaties with

foreign nations, wherein we recognize the principle that we are to develop only those industries now existing and which are being efficiently carried on in this country?

Mr. DIRKSEN. It is diametrically opposed to the substance of those treaties. I have always been opposed to those trade treaties where we barter away a real advantage and receive an illusory, unreal, and only apparent advantage in return.

Mr. MICHENER. The gentleman from Ohio [Mr. HARLAN] addressed the Committee today on those treaty agreements and indicated clearly that it is the purpose of the agreements to eliminate from American industry such industries as the beet-sugar industry, which it is claimed are not efficient in the opinion of the President and those who pass upon the efficiency of industries.

Mr. DIRKSEN. I would say with respect to the argument of the gentleman from Ohio [Mr. HARLAN], that it is like making love to a widow—he just did not go far enough. He states that there was an advantage of \$600,000 in 1 month in our trade with Cuba. On the surface of the thing that looks pretty fine, but it does not take into account the fact—and this was released by the Department of Commerce not long ago—that the consumption of consumers' goods in this country, while larger in dollars and cents for the first 9 months of 1934, was actually in point of volume and tonnage smaller than in 1933. We sold more goods in terms of dollars, because the prices are good, but sold less goods in terms of volume and tonnage. What has happened? Japanese rayon and incandescent globes and importations from Cuba and Finland and Sweden have taken away our manufacturers' market and have reduced the purchasing power of our own people, so that in evaluating this \$600,000 which we got from Cuba, we would doubtless have to subtract \$1,000,000 or more in lost purchasing power of our own people, and I say here and now that I shall never be willing to swap a good two-fisted American customer for any one of these illusory customers in other corners of the world who live on a starvation diet.

So much for the argument of the gentleman from Ohio. Getting back now to the necessity for advancing money to a new industry like the pulp industry, whereby we can ultimately conserve more than a hundred million dollars of trade advantage to this country, it has the additional advantage of keeping that money at home, which can be turned over tenfold in wages and supplies.

If we can preserve that \$170,000,000 worth of trade in paper pulp which is imported every year, it will be the equivalent of almost one and three-quarter billions of dollars so far as the general economic welfare of this Nation goes.

May I now apprise you of the fact that while I am interested in every section of our land, and shall be glad to lend assistance to bringing prosperity to that vast domain in the South, where cotton has heretofore been king, I am also selfish enough to look for equivalent benefits to the Central West. By the same token that R. F. C. funds under the amended act should be made available for pulp and paper mills in the South, funds should also be made available for the establishing of power alcohol distilleries in the States of the Mississippi Basin.

I have so often pointed out that in the last generation the replacement of millions of horses and mules by trucks, tractors, and motor cars; the progressive per capita decrease in the consumption of cereals and meats; the improvement in feeding methods for livestock, so that less feed is required to get an animal to market; the displacement of our own cereals in industry by competitive products, such as blackstrap molasses; and the decrease in exports of meat, due to meat production in other nations, are all parts of the larger picture which has cumulatively given us a surplus.

I contend that it is futile, in view of the agricultural expansion in all corners of the world, to sit on our haunches and hope for an improvement in that direction. What we must do is to revise and alter our internal economy, and this can be done without disturbing any existing industry by the processing of surplus products into alcohol to be used by mixing with gasoline in the proportion of 10 percent.

It is rather pleasing to note that bills have been introduced in various legislatures in the central and western States to effect the use of alcohol in gasoline through a preferential tax. Such bills have or will be introduced in Iowa, Nebraska, South Dakota, Oregon, California, and other States. Fruits as well as cereals can be processed into alcohol for power purposes and thus provide an immense outlet for and add greatly to the income of that vast group of farmers in the agricultural States.

In June 1933 we conducted a demonstration on the George Washington Memorial Highway. It was conducted under the auspices of the American Automobile Association. I shall never forget some of the silly arguments that were advanced against the use of alcohol in gasoline. Manifestly the Petroleum Institute did not like it. They saw the possibility of a reduction of the gallonage of gasoline by approximately 1,700,000,000 gallons a year, which is only 10 percent of the gasoline consumption of this country. They said that gasoline which contained a 10 percent mixture of alcohol would absorb water from the air; that it would stall; that it would cause hard starting. They said that alcohol in gasoline would corrode the inside of internal-combustion motors. They said all sorts of things. Then they got out these familiar cartoons and caricatures showing an automobile which used alcohol-gasoline wobbling up and down the street, climbing fences and billboards, and running into trees—with a jag on, as it were. Those were the fantastic and silly arguments aimed against the use of alcohol as motor fuel. But meantime, the Bureau of Agricultural Economics and Engineering did not stop in its researches. Today I am happy to see that the document gotten out by that branch of the Government, published under the auspices of the United States Senate, shows clearly that there are no technological difficulties in the way of the use of alcohol-gasoline.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. DIRKSEN] has expired.

Mr. TABER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. DIRKSEN. They are using this so-called "alcohol-gasoline" in 22 different countries. In cultivating sugar in the Philippines they use it in their tractors. They even use it in their locomotives in the Philippines. They use it under mandatory act in Germany, in Yugoslavia, in Czechoslovakia, in Australia, and in many other countries. It is a rather significant thing that the Dutch Shell Co., which operates in every hamlet and village in this country, sells alcohol-gasoline at a premium in Australia under the name of Shellkol. It is a rather singular thing also that the Cities Service Co., of which Mr. Henry L. Doherty is president, sells alcohol-gasoline in England under the same trade and brand name that they use here, namely, "Koolmotor", and there it has become a very preferred, premium fuel.

Mr. ARNOLD. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. ARNOLD. Is not the sale of gasoline, a portion of which is derived from alcohol, in foreign countries due to the fact that the price of gasoline is so high that it is more economical to use it in those countries, but that the price of gasoline in this country is so low that that kind of gasoline could not successfully compete with the regular gasoline?

Mr. DIRKSEN. But you can make an ideal instrumentality for farm relief that is far better than the program of curtailment, whereby we recede a step in the production of wheat and cotton; and Russia, Canada, and these other countries advance a step and leave us holding the bag.

Mr. ARNOLD. I can understand that when the price of gasoline rises in this country to the point where it would be economical to use corn-alcohol gasoline that it might be used, but at the present time I understand the price of gasoline is such that it is not commercially feasible.

Mr. DIRKSEN. I want to say in that connection that you can use a 10-percent mixture of gasoline with third-structure gasoline and get a fuel that is equal to the ethyl gas on the market today. That is no idle statement from me. That is shown by all the technological experiments made, not only

by the Bureau of Agricultural Economics, but by a great many chemists who are interested in this thing at the present time.

So, irrespective of the price of gasoline at present and the price of corn, it is not only feasible from an economic standpoint but it would not add over the present price of premium fuels that are on the market, and it would give an outlet for three or four or five hundred million bushels of grain, not to speak of other agricultural commodities.

The matter of price and economic advantage has been so carefully figured out by experts that in my judgment there is no longer any doubt about its feasibility, its practicality, and its desirability.

The argument that it will be disastrous to the petroleum industry is not borne out by the facts. To restore to the farmer an outlet for his grain in the form of alcohol, after a huge portion of his market had been taken away by automotive vehicles, only means that his purchasing power will be repaired to the point where the gallonage of petroleum companies will be swelled to a point that will restore whatever gallonage will have been displaced by the use of alcohol.

Moreover, it may be of interest to this House to know that in the report of the National Resource Board, made to the President only recently, the Board points out that "known supplies of oil, natural gas, and certain metals are sufficient for at most a few decades." That means nothing more than the depletion of natural resources such as oil which, when once exhausted, cannot be replaced. Thus, by the use of power alcohol we not only provide farm relief without adding to the present cost of gasoline—because third-structure gasoline can be used—but we conserve our resources as well.

After all, that is the only thing about which we are concerned. It will solve the problem of the surplus; and it is being considered seriously because of the fact that distinguished scientists like Dr. Garvan, the head of the American Chemical Foundation, who has not one iota of interest other than the general interest of the country, and Dr. Buffam, of the same institution, and Dr. Hale of the Dow Chemical Co., at Midland, Mich., and Dr. Christensen, of Iowa State College, and a great many others not only have experimented with this thing, but from the basis of practical knowledge have shown very definitely that it is commercially and technologically possible. These bills are being introduced now, and I am glad to see that progress is being made in various Western States. [Applause.]

The proposal to use alcohol made from domestic products of the growth of the United States is very akin to the proposal to use slash pine in Georgia, Alabama, and other southern States for the production of paper and pulp. It is a kind of diversification through which we can preserve these areas, preserve money crops, preserve an internal prosperity and rid ourselves of a dangerous dependence on the other nations. More and more this breaking of new ground and pioneering in new crops must be practiced; and when once we have well learned this problem of diversification, we will be able to establish a balanced agriculture, a balanced industry, and preserve for ourselves the greatest market in all the world, namely, the market in our own land for our own people.

Now it will require funds to promote these power alcohol distilleries; and since the various States are sponsoring the proposal, it is only proper that the Federal Government aid them. By aid, I do not mean a grant or a gift. I mean only that the money to start the plants necessary to produce such power alcohol should be available in the form of loans, if and when the various States should have need for the money.

The striking of the date in the act passed by the last Congress so that industries organized after January 1, 1934, may receive the benefit of industrial loans on reasonable security will accomplish that purpose; and hence I am happy to know that this having been done, we embark upon the first step in the direction of an internal economy that is rich in promise for every section of our Nation.

Mr. ARNOLD. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BULWINKLE, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 4442) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1936, and for other purposes, has come to no resolution thereon.

#### WORLD WAR VETERANS' COMPENSATION CERTIFICATES

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein a resolution passed by the General Assembly of North Carolina.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I am glad that my first utterance upon the floor of this House is in furtherance of a cause which is near and dear to my heart. I am delighted to inform the House that the cause for which I am permitted to speak is likewise dear to the hearts of that fine body of men and women composing the General Assembly of North Carolina. As evidence of their interest in the welfare and happiness of that band of fearless men who carried the Stars and Stripes on fields of France in the greatest conflict that the world has ever known, they have, by resolution of the house of representatives, the senate concurring, memorialized Congress to enact legislation authorizing immediate payment to the veterans of the World War the face value of their adjusted-service certificates. The resolution is as follows:

#### Resolution 10 (House Resolution 47)

Joint resolution requesting Congress to pass an act authorizing the immediate payment to veterans of the World War the face value of their adjusted-service certificates

Whereas the immediate cash payment of the adjusted-service certificates, heretofore issued by the United States Government to the veterans of the World War, will increase tremendously the purchasing power of millions of the consuming public, distributed uniformly throughout the Nation; and will provide relief for the holders thereof who are in dire need and distress because of the present unfortunate economic conditions; and will lighten immeasurably the burden which cities, counties, and States are now required to carry for relief; and

Whereas the payment of said certificates will not create any additional debt, but will discharge and retire an acknowledged contract obligation of the Government; and

Whereas the Government of the United States is now definitely committed to the policy of spending additional sums of money for the purpose of hastening recovery from the present economic crisis: Now, therefore, be it

*Resolved by the house of representatives (the senate concurring):*

SECTION 1. That we request the Senators and Representatives of Congress from the State of North Carolina to support any appropriate legislation that does not impair the Government's credit for the immediate cash payment at face value of the adjusted-service certificates, with cancellation of interest accrued and refund of interest paid, as a most effective means to the end above set out.

SEC. 2. That a copy of this resolution be transmitted to each Senator and Representative in Congress from North Carolina by the secretary of state under the seal of State.

SEC. 3. That this resolution shall be in full force and effect from and after its ratification.

In the general assembly read three times and ratified this the 25th day of January 1935.

A. H. GRAHAM,  
President of the Senate.  
R. G. JOHNSON,  
Speaker of the House of Representatives.

Examined and found correct.

S. F. TEAGUE, For Committee.  
STATE OF NORTH CAROLINA,  
Department of State.

I, Stacey W. Wade, secretary of state of the State of North Carolina, do hereby certify the foregoing and attached three sheets to be a true copy from the records of this office.

In witness whereof, I have hereunto set my hand and affixed my official seal.

Done in office at Raleigh, this 25th day of January, in the year of our Lord 1935.

[SEAL]

STACEY W. WADE,  
Secretary of State.

I shall favor legislation authorizing the immediate payment to the veterans of the World War the face value of their service certificates. I heartily endorse the resolution of the General Assembly of North Carolina and commend it to your consideration.

#### LEAVE OF ABSENCE

Mr. DUNN of Pennsylvania. Mr. Speaker, I ask unanimous consent, at the request of the gentleman from Pennsylvania [Mr. MORITZ], that he be granted leave of absence for a few days on account of the illness of his father.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

By unanimous consent, leave of absence was granted as follows:

Mr. O'LEARY, indefinitely, on account of the death of his mother.

Mr. STARNES, indefinitely, on account of illness in family.

Mr. LUCAS, indefinitely, on account of serious illness in family.

#### ADJOURNMENT

Mr. ARNOLD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 46 minutes p. m.) the House adjourned until tomorrow, Tuesday, January 29, 1935, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

166. A letter from the Secretary of the Treasury transmitting report on the War Finance Corporation (in liquidation) covering the period from January 1, 1934, to December 31, 1934 (H. Doc. No. 86); to the Committee on Banking and Currency and ordered to be printed.

167. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1935, for the Department of Agriculture, Bureau of Entomology and Plant Quarantine, for the control of the screw worm, amounting to \$480,000 (H. Doc. No. 87); to the Committee on Appropriations and ordered to be printed.

168. A letter from the Secretary of Commerce, transmitting draft of a proposed bill for the relief of Ward J. Lawton, special disbursing agent, Lighthouse Service, Department of Commerce; to the Committee on Claims.

169. A letter from the Secretary of War, transmitting draft of a proposed bill to accelerate the promotion of commissioned officers of the Regular Army; to the Committee on Military Affairs.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KEE: Committee on Foreign Affairs. House Joint Resolution 94. Joint resolution providing for the participation of the United States in the California Pacific International Exposition to be held at San Diego, Calif., in 1935 and 1936; authorizing an appropriation therefor; and for other purposes; with amendment (Rept. No. 33). Referred to the Committee of the Whole House on the state of the Union.

Mr. STEAGALL: Committee on Banking and Currency S. 1175. An act to extend the functions of the Reconstruction Finance Corporation for 2 years, and for other purposes; with amendment (Rept. No. 34). Referred to the Committee of the Whole House on the state of the Union.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BELL: A bill (H. R. 4869) to make permanent the additional office of district judge created for the western district of Missouri; to the Committee on the Judiciary.

Also, a bill (H. R. 4870) to provide for the appointment of additional district judges for the eastern and western districts of Missouri; to the Committee on the Judiciary.

By Mr. PEARSON: A bill (H. R. 4871) to authorize the Reconstruction Finance Corporation to make loans to manufacturing, industrial, commercial, and mercantile establishments, to institutions of learning, and to hospitals; to the Committee on Banking and Currency.

By Mr. SMITH of Washington: A bill (H. R. 4872) to establish a fish-cultural station on the Satsop River, Grays Harbor County, Wash.; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. KELLER: A bill (H. R. 4873) relating to the construction, maintenance, and regulation within and by the United States of America of a Nation-wide system of durable hard-surfaced post roads and their appurtenances and the provision of means for the payment of the cost thereof; to the Committee on Ways and Means.

By Mr. BURDICK: A bill (H. R. 4874) amending section 5D of the Reconstruction Finance Act, as amended, relating to advances to industrial and commercial business; to the Committee on Banking and Currency.

By Mr. DEEN: A bill (H. R. 4875) to provide for the establishment of a national monument at Fort Frederica, St. Simon Island, Ga., to be known as the "Fort Frederica National Shrine"; to the Committee on the Public Lands.

By Mr. HILDEBRANDT: A bill (H. R. 4876) to fix the hours of duty of railway postal clerks, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mrs. JENCKES of Indiana: A bill (H. R. 4877) to authorize the State of Indiana to construct, maintain, and operate a free highway bridge across the Wabash River near Lafayette, Ind.; to the Committee on Interstate and Foreign Commerce.

By Mr. LUCKEY: A bill (H. R. 4878) to establish a national park on the Daniel Freeman Homestead in Gage County, Nebr.; to the Committee on the Public Lands.

By Mr. MILLER: A bill (H. R. 4879) to prevent discrimination against certain distressed home owners on account of the different methods that have been employed in the various States for financing public improvements, to avoid penalizing worthy properties in special improvement districts, and for other purposes; to the Committee on Banking and Currency.

By Mr. SIROVICH: A bill (H. R. 4880) to establish the United States Air Transport System, to be owned and operated by the United States Government for the purpose of developing and forwarding the arts of aeronautics and aviation by the purchase and/or building and operation of heavier-than-air and lighter-than-air aircraft; the air transport of United States air mail, and of passenger, express, and light freight; the purchase and/or building of airports on or over land or ocean or inland waters and the laying-out and operation of air routes equipped with take-off and landing, lighting, beacon, and communication systems, and for other purposes, connected with aeronautics and aviation. The short title of this bill shall be "An act to establish the United States Air Transport System", Webster's Unabridged Dictionary, common usage, and accepted usage in aviation of the terms used in this act shall govern their interpretation; to the Committee on Interstate and Foreign Commerce.

By Mr. VINSON of Kentucky: A bill (H. R. 4881) to reduce internal-revenue taxes on tobacco products; to the Committee on Ways and Means.

By Mr. WHELCHER: A bill (H. R. 4882) to exempt a limited quantity of cotton produced by small producers from the cotton-ginning tax, to fix a reasonable compensation to be paid where the operators of cotton gins are required to collect such tax, and to provide for the selection of members of county and community committees under the Cotton Act of 1934; to the Committee on Agriculture.

By Mr. WILCOX: A bill (H. R. 4883) to amend the Reconstruction Finance Corporation Act so as to extend provisions thereof to corporations, associations, and individuals to aid

in constructing and maintaining facilities for the growing, harvesting, marketing, storing, warehousing, and/or processing of forest products; to the Committee on Banking and Currency.

By Mr. CONNERY: A bill (H. R. 4884) to accord labor proper opportunity for protection of rights granted by the Congress, and for other purposes; to the Committee on Labor.

By Mr. DITTER: A bill (H. R. 4885) to reconstitute the membership of the Board of Indeterminate Sentence and Parole for the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. EAGLE: A bill (H. R. 4886) providing for the employment of skilled shorthand reporters in the executive branch of the Government; to the Committee on the Judiciary.

Also, a bill (H. R. 4887) to create a board of shorthand reporting, and for other purposes; to the Committee on the Judiciary.

By Mr. ELLENBOGEN: A bill (H. R. 4888) to provide for a census of population, occupations, and unemployment, and for other purposes; to the Committee on the Census.

By Mr. FOCHT: A bill (H. R. 4889) securing memorial for Col. Thomas M. Hulings and the Logan Guards; to the Committee on the Library.

By Mr. GASQUE: A bill (H. R. 4890) for the enlargement of the post office and Federal courthouse building at Florence, S. C., and appropriating money therefor; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 4891) for the erection of a public building at Bishopville, S. C., and appropriating money therefor; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 4892) for the erection of a public building at Mullins, S. C., and appropriating money therefor; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 4893) to abolish interest charges upon loans made on adjusted-service certificates; to the Committee on Ways and Means.

Also, a bill (H. R. 4894) to amend section 30, title III (veterans' provisions), of Public Law No. 141, Seventy-third Congress, to give the benefits thereof to veterans who enlisted in the United States forces after August 12, 1898, and who served outside the continental limits of the United States; to the Committee on Pensions.

By Mr. McGEHEE: A bill (H. R. 4895) to change the name of Pickwick Landing Dam to Quin Dam; to the Committee on Military Affairs.

By Mr. RICHARDS: A bill (H. R. 4896) to provide for the purchase of a site and the construction of a post-office building at Chesterfield, S. C.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 4897) to provide for the purchase of a site and the construction of a post-office building at Winnsboro, S. C.; to the Committee on Public Buildings and Grounds.

By Mr. SPENCE: A bill (H. R. 4898) to provide that tolls on certain bridges over navigable waters of the United States shall be just and reasonable, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. THOMPSON: A bill (H. R. 4899) terminating the tax imposed under section 701 of the Revenue Act of 1926; to the Committee on Ways and Means.

By Mr. BLOOM: A bill (H. R. 4900) to amend the naturalization laws in respect of residence requirements, and for other purposes; to the Committee on Immigration and Naturalization.

Also, a bill (H. R. 4901) to authorize appropriations to pay the annual share of the United States as an adhering member of the International Council of Scientific Unions and associated unions; to the Committee on Foreign Affairs.

By Mr. CRAVENS: A bill (H. R. 4902) to provide for the construction of a post office at Paris, Ark.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 4903) to provide for the construction of a post office at Van Buren, Ark.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 4904) to provide for the construction of a post office at Nashville, Ark.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 4905) to provide for the construction of a post office at Ashdown, Ark.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 4906) to provide for the construction of a post office at Booneville, Ark.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 4907) to provide for the construction of a post office at De Queen, Ark.; to the Committee on Public Buildings and Grounds.

By Mr. MEAD: A bill (H. R. 4908) to amend section 52 of the Judicial Code, as amended; to the Committee on the Judiciary.

Also, a bill (H. R. 4909) authorizing the erection of a memorial to Brig. Gen. Casimir Pulaski at Savannah, Ga.; to the Committee on the Library.

By Mr. ALLEN: A bill (H. R. 4910) to authorize the purchase of closed-bank buildings for postal purposes and for the relief of depositors in closed banks; to the Committee on Public Buildings and Grounds.

By Mr. McSWAIN: A bill (H. R. 4911) to amend sections 10 to 14, inclusive, of the act approved July 2, 1926 (44 Stat. 784, 789); to the Committee on Military Affairs.

By Mr. MARTIN of Colorado: A bill (H. R. 4912) to extend air-mail routes and airplane mileage; to the Committee on the Post Office and Post Roads.

By Mr. MILLARD: Resolution (H. Res. 76) requesting information from the Postmaster General; to the Committee on the Post Office and Post Roads.

By Mr. SANDLIN: Resolution (H. Res. 77) to pay to Hattie P. Shepherd, widow of John H. Shepherd, 6 months' compensation and not to exceed \$250 funeral expenses; to the Committee on Accounts.

By Mr. VINSON of Georgia: Resolution (H. Res. 78) for the creation of a select committee of the House to investigate the effect of the enforcement of the code of fair competition for the lumber industry promulgated under the National Industrial Recovery Act upon the small sawmill business and employees thereof; to the Committee on Rules.

By Mr. SABATH: Resolution (H. Res. 79) authorizing further expenditures not to exceed \$100,000, to be paid out of the contingent fund of the House, for the continuance of the investigation by the Select Committee to Investigate Real Estate Bondholders' Reorganizations, and for other purposes; to the Committee on Accounts.

By Mr. KRAMER: Resolution (H. Res. 80) directing the United States Tariff Commission to investigate the differences in the costs of production of fresh, frozen, and canned fish, fish meal, and fish oil, and byproducts; to the Committee on Ways and Means.

By Mr. FISH: Resolution (H. Res. 81) directing the Postmaster General to furnish certain information to the House of Representatives; to the Committee on the Post Office and Post Roads.

By Mr. TREADWAY: Resolution (H. Res. 82) directing the Secretary of Agriculture to furnish a list of articles, the names of which are on file, to the House of Representatives; to the Committee on Ways and Means.

Also, resolution (H. Res. 83) directing the Secretary of Commerce to furnish a list of articles, the names of which are on file, to the House of Representatives; to the Committee on Ways and Means.

Also, resolution (H. Res. 84) directing the Secretary of State to furnish a list of articles, the names of which are on file, to the House of Representatives; to the Committee on Ways and Means.

By Mr. RAYBURN: Joint resolution (H. J. Res. 138) to create a commission to study and report on the feasibility of constructing the Nicaragua Canal; to the Committee on Interstate and Foreign Commerce.

By Mr. HAINES: Joint resolution (H. J. Res. 139) for the establishment of a commission for the construction of a

Washington-Lincoln Memorial Gettysburg Boulevard connecting the present Lincoln Memorial in the city of Washington with the battlefield of Gettysburg in the State of Pennsylvania; to the Committee on Roads.

By Mr. BLOOM: Joint resolution (H. J. Res. 140) to provide for the completion of the publication of the writings of George Washington; to the Committee on the Library.

### MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Maine, relating to the protection of newsprint pulp and pulpwood industry; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Arkansas, supporting immediate payment of the bonus; to the Committee on Ways and Means.

Also, memorial of the Legislature of the State of Washington, regarding arid lands in said State; to the Committee on Irrigation and Reclamation.

### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 4913) for the relief of Morgan & Roberts, a copartnership, Newark, Ohio; to the Committee on Claims.

Also, a bill (H. R. 4914) granting an increase of pension to Melissa J. Wells; to the Committee on Invalid Pensions.

By Mr. BETTER: A bill (H. R. 4915) for the relief of Guido Biscaro, Giovanni Polin, Spironello Antonio, Arturo Bettio, Carlo Biscaro, and Antonio Vannin; to the Committee on Claims.

By Mr. BUCK: A bill (H. R. 4916) granting a pension to Georgene F. Jackson; to the Committee on Pensions.

By Mr. BUCKBEE: A bill (H. R. 4917) granting an increase of pension to Laura McBratney; to the Committee on Invalid Pensions.

By Mr. BYRNS: A bill (H. R. 4918) for the relief of U. S. Davis; to the Committee on Claims.

Also, a bill (H. R. 4919) for the relief of Smith Wall; to the Committee on Claims.

Also, a bill (H. R. 4920) for the relief of Frank J. Miller; to the Committee on Claims.

Also, a bill (H. R. 4921) for the relief of William Utly; to the Committee on War Claims.

Also, a bill (H. R. 4922) for the relief of Mrs. W. I. Kline and Mrs. W. C. Greer; to the Committee on War Claims.

By Mr. COLE of Maryland: A bill (H. R. 4923) for the relief of Maj. E. Leslie Medford, United States property and disbursing officer for Maryland; to the Committee on Claims.

Also, a bill (H. R. 4924) conferring jurisdiction on the Court of Claims to hear, determine, and render judgment upon the claim of William E. B. Grant; to the Committee on Claims.

By Mr. COLMER: A bill (H. R. 4925) to authorize and direct the Comptroller General to settle and allow the claim of George P. Money for fees for services rendered; to the Committee on Claims.

By Mr. DEMPSEY: A bill (H. R. 4926) granting a pension to Grover Cleveland O'Dell; to the Committee on Pensions.

By Mr. EAGLE: A bill (H. R. 4927) authorizing the President to order Donald O. Miller before a retiring board for a hearing of his case, and upon the findings of such board determine whether or not he be placed on the retired list with the rank and pay held by him at the time of his separation; to the Committee on Military Affairs.

By Mr. FOCHT: A bill (H. R. 4928) for the relief of Albert A. Taney; to the Committee on Military Affairs.

Also, a bill (H. R. 4929) granting a pension to John I. Boyer; to the Committee on Pensions.

Also, a bill (H. R. 4930) granting a pension to Mary C. Simon; to the Committee on Pensions.

By Mr. GASQUE: A bill (H. R. 4931) granting an increase of pension to Helen K. Snowden; to the Committee on Pensions.

Also, a bill (H. R. 4932) granting a pension to William H. Worrell; to the Committee on Pensions.

Also, a bill (H. R. 4933) granting a pension to Joseph B. Player; to the Committee on Pensions.

Also, a bill (H. R. 4934) granting a pension to Samuel W. Mabrey; to the Committee on Pensions.

Also, a bill (H. R. 4935) granting a pension to Rufus E. Davidson; to the Committee on Pensions.

By Mr. GILLETTE: A bill (H. R. 4936) for the relief of Mrs. H. H. Brugmann; to the Committee on Claims.

Also, a bill (H. R. 4937) granting an increase of pension to Ellen E. Smith; to the Committee on Invalid Pensions.

By Mr. GRISWOLD: A bill (H. R. 4938) granting an increase of pension to George Elmer Stevens; to the Committee on Pensions.

By Mr. JOHNSON of West Virginia: A bill (H. R. 4939) granting a pension to Samuel Edwards; to the Committee on Invalid Pensions.

By Mr. KEE: A bill (H. R. 4940) granting a pension to Sarah M. Williams; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4941) for the relief of Henry C. Hale; to the Committee on War Claims.

By Mr. KENNEY: A bill (H. R. 4942) for the relief of Patrick Henry Walsh; to the Committee on Claims.

By Mr. LAMNECK: A bill (H. R. 4943) for the relief of Anson B. Coates; to the Committee on Claims.

By Mr. LEWIS of Colorado: A bill (H. R. 4944) granting a pension to Lillian S. Budd; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4945) granting a pension to Elizabeth Gehm; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4946) granting a pension to Mary J. Edwards; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4947) granting a pension to Juliet Thoroughman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4948) granting a pension to Winnie F. Myers; to the Committee on Pensions.

Also, a bill (H. R. 4949) granting a pension to Lillie M. Settle; to the Committee on Pensions.

Also, a bill (H. R. 4950) for the relief of Francis A. Parry; to the Committee on Military Affairs.

Also, a bill (H. R. 4951) for the relief of the Moffat Coal Co.; to the Committee on Claims.

Also, a bill (H. R. 4952) for the relief of Davis & Vance; to the Committee on Claims.

Also, a bill (H. R. 4953) for the relief of Doris Lipscomb; to the Committee on Claims.

Also, a bill (H. R. 4954) granting an increase of pension to Kate M. Kirby; to the Committee on Invalid Pensions.

By Mr. McANDREWS: A bill (H. R. 4955) for the relief of the heirs of Jennie Brenner; to the Committee on Claims.

Also, a bill (H. R. 4956) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the heirs of G. C. Greenwood; to the Committee on Claims.

By Mr. McREYNOLDS: A bill (H. R. 4957) for the refund of income and profits taxes erroneously collected; to the Committee on Ways and Means.

By Mr. McSWAIN: A bill (H. R. 4958) for the relief of Claud J. Adams; to the Committee on Military Affairs.

By Mr. MILLER: A bill (H. R. 4959) for the relief of Charles E. Hofmann; to the Committee on Military Affairs.

Also, a bill (H. R. 4960) granting a pension to Sarah Elizabeth Hofmann; to the Committee on Invalid Pensions.

By Mr. O'BRIEN: A bill (H. R. 4961) for the relief of Frank Young; to the Committee on Claims.

By Mr. PETERSON of Florida: A bill (H. R. 4962) for the relief of the Tampa Marine Co.; to the Committee on Claims.

By Mr. POLK: A bill (H. R. 4963) granting an increase of pension to Carrie F. Bloom; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4964) for the relief of Richard Taylor; to the Committee on Naval Affairs.

By Mr. RANDOLPH: A bill (H. R. 4965) to authorize the Comptroller General to settle and certify for payment the account of M. M. Smith as de facto United States commissioner for the northern district of West Virginia from May 1, 1933, to October 1, 1933; to the Committee on Claims.

Also, a bill (H. R. 4966) for the relief of Lewis Clark; to the Committee on Claims.

Also, a bill (H. R. 4967) granting a pension to Cassie Randolph; to the Committee on Pensions.

By Mr. ROBSON of Kentucky: A bill (H. R. 4968) granting an increase of pension to William Hibbard; to the Committee on Pensions.

Also, a bill (H. R. 4969) granting a pension to Allie Gleece; to the Committee on Pensions.

Also, a bill (H. R. 4970) granting a pension to Lou Sizemore; to the Committee on Pensions.

By Mr. ROMJUE: A bill (H. R. 4971) granting a pension to Margaret Malinda Saunders; to the Committee on Invalid Pensions.

By Mr. SADOWSKI: A bill (H. R. 4972) for the relief of Trifune Korac; to the Committee on Claims.

By Mr. SHORT: A bill (H. R. 4973) granting a pension to Ella Woodward; to the Committee on Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 4974) for the relief of Rabbi Isaac Levine; to the Committee on Claims.

By Mr. THOMAS: A bill (H. R. 4975) granting a pension to Lillian Thomson; to the Committee on Invalid Pensions.

By Mr. TURNER: A bill (H. R. 4976) granting a pension to David H. Martin; to the Committee on Pensions.

By Mr. WELCH: A bill (H. R. 4977) for the relief of George Henry Koerner; to the Committee on Naval Affairs.

By Mr. WILSON of Pennsylvania: A bill (H. R. 4978) granting a pension to Mary R. Dillon; to the Committee on Invalid Pensions.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

458. By Mr. BACON: Petition of six residents of Floral Park and New Hyde Park, N. Y., urging the enactment of House bill 2856, proposing an old-age-pension plan; to the Committee on Labor.

459. By Mr. BLOOM: Petition of the Board of Supervisors of Erie County, State of New York, urging the passage of the bill authorizing the appropriation of \$4,000,000,000, recommended by the President, said bill to contain a provision allotting to the railroads a suitable appropriation to be used for grade-crossing improvements; to the Committee on Ways and Means.

460. By Mr. BRUNNER: Resolution of the Fourth Assembly District Democratic Club, 93-37 Union Hall Street, Jamaica, N. Y., urging Congress to make additional appropriation to continue the activities of the Home Owners' Loan Corporation; to the Committee on Banking and Currency.

461. By Mr. BUCKLER of Minnesota: Petition of B. H. Wessling, commander; Theo. Fossen, adjutant; and members of the Robert LeRoy Adamson Post, No. 30, of the American Legion, Department of Minnesota, all citizens of Fergus Falls and vicinity in Minnesota, urging the immediate cash payment of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

462. Also, petition of Sophie Nielsen and 560 other members of the Third Ward Townsend Old-Age Revolving Pension Club, all citizens of Moorhead, Minn., praying for support of the Townsend old-age-pension bill; to the Committee on Ways and Means.

463. By Mr. CARTER: Assembly Joint Resolution No. 1 adopted by the Legislature of the State of California, urging the enactment by Congress of an old-age-pension law to provide for the retirement and care of dependent aged per-

sons in the United States; to the Committee on Ways and Means.

464. Also, petition of Frank J. Murphy and 14 other citizens, of Alameda County, Calif., petitioning for the recall of the present Ambassador to Mexico, the Honorable Joseph Daniels; to the Committee on Foreign Affairs.

465. By Mr. CHAPMAN: Petition of Phill Smothers, William Lee Grant, Charles V. Kestel, and 19 other citizens of Jessamine County, Ky., urging the enactment of old-age-pension bill as embodied in House bill 2856; to the Committee on Labor.

466. Also, petition of Barney Cammack, Allen Beverly, Susie Jackson, Clara Bradney, and 15 other citizens of Glencoe, Owen County, Ky., urging the enactment of old-age-pension bill as embodied in House bill 2856; to the Committee on Labor.

467. Also, petition of Sophia Bell, Harrison Lee, D. M. Ellis, Nute Harrington, and 29 other citizens, of Franklin County, Ky., urging the enactment of old-age-pension bill as embodied in House bill 2856; to the Committee on Labor.

468. Also, petition of Joe C. Rivers, Tom Bishop, Ellen Moffett, and Rose Letcher, and 36 other citizens of Georgetown, Scott County, Ky., urging the enactment of old-age-pension bill as embodied in House bill 2856; to the Committee on Labor.

469. Also, petition of J. H. Laurence, J. R. Parker, Alice Webb, Margaret Kemper, and 34 other citizens of Monterey, Owen County, Ky., urging the enactment of old-age-pension bill as embodied in House bill 2856; to the Committee on Labor.

470. Also, petition of J. W. Prather and 18 other citizens of Campbellsburg, Lizzie Young and 11 other citizens of Eminence, Bruce Reed and 4 other citizens of Jericho, and Fannie Tinsley and 1 other citizen of Smithfield, Henry County, Ky., urging the enactment of old-age-pension bill as embodied in House bill 2856; to the Committee on Labor.

471. By Mr. CULKIN: Petition of certain citizens of the city of Watertown and vicinity, New York State, favoring the old-age revolving pensions; to the Committee on Labor.

472. Also, petition of members of the Stamp Club of Clayton, N. Y., protesting against the selling of certain stamps to privileged few; to the Committee on the Post Office and Post Roads.

473. By Mr. DEMPSEY: Petition of the New Mexico Cattle Growers Association, Albuquerque, N. Mex.; to the Committee on Agriculture.

474. By Mr. DIES: Petition of citizens of Angelina County, Tex., favoring a reasonable old-age-pension law; to the Committee on Labor.

475. Also, petition of citizens of San Augustine, Tex., favoring the Townsend old-age plan; to the Committee on Labor.

476. By Mr. DOUGHTON: Memorial of the Legislature of North Carolina, favoring the immediate payment to veterans of the World War the face value of their adjusted-service certificates; to the Committee on Ways and Means.

477. By Mr. GOODWIN: Resolution of the National Guard Association of the State of New York, Albany, N. Y., in which they respectfully petition Congress to eliminate from that portion of the Army appropriation bill affecting National Guard activities any provision which would affect the right of Federal pay or Federal recognition of any member of the National Guard of the State of New York; to the Committee on Appropriations.

478. Also, petition of the Columbia Rifle Club, Inc., of Hudson, N. Y., opposing any firearms legislation not meeting with the approval of the National Rifle Association; to the Committee on Interstate and Foreign Commerce.

479. Also, petition of the National Association of Butter and Egg Distributors, opposing the repeal of the oleomargarine tax or any reduction thereof; to the Committee on Agriculture.

480. Also, petition of National Association of Butter and Egg Distributors, against using Government funds to finance

marketing agencies that compete with independent distributors of dairy and poultry products; to the Committee on Agriculture.

481. By Mr. MORAN: Petition of the State Legislature of Maine; to the Committee on Ways and Means.

482. By Mr. HILDEBRANDT: Petition of the Senate of the State of South Dakota (the house of representatives concurring), respectfully urging the Congress of the United States to enact the proper legislation necessary to carry the President's shelter-belt plan into effect; to the Committee on Agriculture.

483. Also, petition of the twenty-fourth session of the South Dakota Senate (house of representatives concurring), urging Congress to enact such legislation necessary so that the seed grain furnished shall be paid for by a return bushel for bushel for the seed so furnished; to the Committee on Agriculture.

484. Also, petition of the Public Utilities Committee, of Watertown, S. Dak., urging the enforcement of the Federal Revenue Act and in doing so the Federal Government shall not impose directly or indirectly a tax upon any State or Territory, the United States, the District of Columbia, or any political subdivision, agency, or district thereof; to the Committee on Ways and Means.

485. Also, petition of the Senate of the twenty-fourth legislative session of the State of South Dakota (the house of representatives concurring) memorializing the Congress of the United States to make an appropriation for the benefit of certain World War veterans whose children were killed or injured in a school-bus collision on January 9, 1935, near Piedmont, S. Dak.; to the Committee on Appropriations.

486. By Mr. KENNEY: Resolution of the Board of Water Commissioners of Elizabeth, N. J., protesting against any Federal revenue act which may be interpreted to impose a tax upon States, their political subdivisions, districts, or agencies; to the Committee on Ways and Means.

487. By Mr. KRAMER: Brief of the International Association of Machinists relative to aircraft and engine mechanics employed by the air transport companies; to the Committee on Interstate and Foreign Commerce.

488. By Mr. LUCKEY: Petition of the Senate of the State of Nebraska requesting the United States Government to establish a national arboretum at Nebraska City, Nebr.; to the Committee on Agriculture.

489. By Mr. McLAUGHLIN: Petition memorializing the Congress of the United States to pass, and the President of the United States to approve, if passed, the soldiers' bonus bill now pending in Congress; to the Committee on Ways and Means.

490. Also, petition for immediate payment of the adjusted-service certificates held by the veterans of the World War; to the Committee on Ways and Means.

491. Also, petition memorializing the Congress of the United States favoring the speedy passage of a bill providing for Federal old-age pension; to the Committee on Labor.

492. Also, petition memorializing the Congress of the United States to include building of free interstate bridges across the Missouri River as Public Works Administration projects; to the Committee on Appropriations.

493. Also, memorial requesting the Congress of the United States of America to eliminate the taxation of gasoline by the Federal Government; to the Committee on Ways and Means.

494. Also, petition memorializing the Congress and the President of the United States to care for Nebraska unemployed; to the Committee on Appropriations.

495. By Mr. MARTIN of Colorado: Petition of the Colorado General Assembly; to the Committee on Ways and Means.

496. By Mr. MARTIN of Massachusetts: Memorial of the City Council of Fall River, Mass., favoring immediate payment of the World War adjusted-service certificates; to the Committee on Ways and Means.

497. By Mr. MEAD: Petition of the University of Rochester, Rochester, N. Y., regarding alteration of the Federal Emergency Relief Administration, so as to include expressly hospital care of persons on welfare relief as coming within the provisions of the Federal Emergency Relief Act; to the Committee on Appropriations.

498. Also, petition of the board of directors of the American Coalition, Washington, D. C., requesting that the United States decline membership in the World Court; to the Committee on Foreign Affairs.

499. Also, petition of the Common Council of the City of Buffalo, N. Y., requesting that the office of the district commander of the United States Coast Guard remain in Buffalo, N. Y., and not be transferred to Cleveland, Ohio; to the Committee on Naval Affairs.

500. By Mr. MERRITT of New York: Resolution of Woodhaven Council, No. 1866, Knights of Columbus, of Woodhaven, N. Y., protesting against the activities of the National Revolutionary Party in Mexico and urging the Congress of the United States to refrain from trade relations, etc., which are profitable to the supporters of the National Revolutionary Party and urging tourists not to visit Mexico; to the Committee on Foreign Affairs.

501. By Mr. PATMAN: Petition of T. J. Cherry, of Mount Pleasant, and 185 other citizens of Titus County, Tex., favoring the passage of old-age-pension legislation; to the Committee on Labor.

502. Also, petition of J. T. Kidwell, of Mount Vernon, and 230 other citizens of Franklin County, Tex., favoring the passage of old-age-pension legislation; to the Committee on Labor.

503. Also, petition of J. D. Bowden, of Mount Pleasant, and 143 other citizens of Titus County, Tex., favoring the passage of old-age-pension legislation; to the Committee on Labor.

504. Also, petition of J. M. Hadaway, N. M. Mathes, R. B. Crowson, Mrs. Flen Hickman, and 2,080 other citizens of Hopkins County, Tex., favoring an old-age-pension law; to the Committee on Labor.

505. Also, petition of Albert Thompson, E. D. Jones, and 340 other citizens of Bowie County, Tex., favoring enactment into law of the Townsend old-age-pension plan; to the Committee on Labor.

506. Also, petition of J. W. Spears, Paris, and 274 other citizens of Lamar County, Tex., favoring the Townsend plan for old-age pensions; to the Committee on Labor.

507. Also, petition of Gibbons Poteet, Roy C. Lattimore, and 201 other citizens, of Roxton, Tex., favoring the immediate cash payment in full of the soldiers' adjusted-service certificates; to the Committee on Ways and Means.

508. Also, petition of Jim P. Poteet, of Roxton, and 10 other citizens of Lamar County, Tex., favoring an old-age pension and particularly the Townsend old-age-pension plan; to the Committee on Labor.

509. Also, petition of 116 citizens of Bowie County, Tex., favoring an old-age-pension law; to the Committee on Labor.

510. Also, petition of R. L. Halder, Henry Walker, S. K. Turner, and 366 other citizens of Franklin County, Tex., favoring an old-age-pension law, and particularly the Townsend plan; to the Committee on Labor.

511. Also, petition of O. M. Table, Lee Rhea, R. R. Hodge, and 558 other citizens of Titus County, Tex., favoring enactment into law of the Townsend old-age-pension plan; to the Committee on Labor.

512. By Mr. POLK: Petition signed by J. P. Harris, corresponding secretary of Good Will Lodge, No. 157, Ohio, of the Amalgamated Association of Iron, Steel, and Tin Workers of North America, and 470 other citizens and merchants of Scioto County, Ohio, favoring the 30-hour week with increased wages for all industries; continuance of the National Recovery Administration, especially section 7-A interpreted to support majority rule; labor representation on all code authorities; the Wagner bill to outlaw company unions; and unemployment insurance so drafted that all without work be eligible, including strikers; to the Committee on Labor.

513. Also, petition signed by W. W. Perry and 93 other residents of Portsmouth, Ohio, favoring the 30-hour week with increased wages for all industries; continuance of the National Recovery Administration, especially section 7-A interpreted to support majority rule; labor representation on all code authorities; the Wagner bill to outlaw company unions; and unemployment insurance so drafted that all without work be eligible, including strikers; to the Committee on Labor.

514. Also, petition signed by Ada May Hammond and 662 other residents of Scioto County, Ohio, favoring the 30-hour week with increased wages for all industries; continuance of the National Recovery Administration, especially section 7-A interpreted to support majority rule; labor representation on all code authorities; the Wagner bill to outlaw company unions; and unemployment insurance so drafted that all without work be eligible, including strikers; to the Committee on Labor.

515. By Mrs. ROGERS of Massachusetts: Petition of the Falmouth Men's Club of Falmouth, Mass., urging the enlargement of the Cape Cod Canal; to the Committee on Rivers and Harbors.

516. By Mr. SADOWSKI: Petition of Sokol Detroit of the Czechoslovak Gymnastic Union, endorsing old-age pensions and unemployment insurance; to the Committee on Ways and Means.

517. By Mr. SANDERS of Texas: Petition of citizens of Gregg, Rusk, Wood, and Upshur Counties, Tex., urging passage of old-age-pension legislation as embraced in House bill 2856, introduced by Representative WILL ROGERS, of Oklahoma; to the Committee on Ways and Means.

518. By Mr. SMITH of West Virginia: Petition of Charles Jackson and other citizens of Logan, W. Va., urging the passage of House bill 2856 which provides an old-age pension; to the Committee on Ways and Means.

519. By Mr. STEFAN: Resolution adopted by the Nebraska State Senate, requesting the United States Government to establish a national arboretum at Nebraska City, Nebr.; to the Committee on Agriculture.

520. By Mr. TARVER: Petitions of W. E. Owens and 11 other citizens of Cobb County, Will Armstrong and 18 other citizens of Catoosa County, and Alice Carswell and 11 other citizens of Walker County, Ga., favoring old-age pensions; to the Committee on Ways and Means.

521. Also, petitions of Mrs. T. A. Baker and 18 other citizens of Whitfield County, Mrs. W. E. Powell and 34 other citizens of Polk County, Ellar Lang and 29 other citizens of Walker County, C. B. Jones and 19 other citizens of Haralson County, W. M. Oliver and 56 other citizens of Walker County, and Leslie Bithrene and 17 other citizens of Walker County, Ga., favoring old-age pensions; to the Committee on Ways and Means.

522. Also, petitions of R. M. Young and 17 other citizens of Gordon County, Minnie Hulsey and 72 other citizens of Polk County, Mrs. J. W. Mathis and 19 other citizens of Chattooga County, Nancy Jacobs and 20 other citizens of Douglas County, Mrs. Lafayette Cooper and 32 citizens of Chattooga County, W. H. Wilson and 62 citizens of Murray County, and Lila Wehunt and 42 citizens, of Cobb County, Ga., favoring old-age pensions; to the Committee on Ways and Means.

523. Also, petitions of Pearl Wilson and others of Berryton, Mrs. M. A. Chambers and others of Rossville, Joe Wallin and others of Rising Fawn, Mary H. Lancaster and others of Cedartown, Della Bryant and others of Lyerly, Titia Berry and others of Marietta, C. H. West and others of Acworth, Mrs. E. W. Hicks and others of Cartersville, Mrs. John J. Rhyne and others of Rossville, C. M. England and others of Cartersville, Mary M. Brown and others of Lindale, all of the State of Georgia, regarding old-age pensions; to the Committee on Ways and Means.

524. Also, petitions of William Allin and 18 other citizens of Floyd County, T. P. Shaw and 38 other citizens of Cobb County, Julia Robbins and 54 other citizens of Douglas

County, Miss Idar Sutton and 13 other citizens of Walker County, Mr. and Mrs. W. T. Angel and 18 other citizens of Cobb County, Mrs. J. P. Poe and 17 other citizens of Catoosa County, Miss Katte Elles and 18 other citizens of Douglas County, all of the State of Georgia, favoring old-age pensions; to the Committee on Ways and Means.

525. By Mr. TRUAX: Petition of Freedom Lodge, No. 153, Ohio, Amalgamated Association of Iron, Steel, and Tin Workers of North America, Zanesville, Ohio, at their regular meeting held on January 19, 1935—whereas 80 percent of the veterans are unemployed and thousands are in dire need of food, clothing, medical aid, homes, etc., while their families are suffering intensely in this the sixth year of mass unemployment; and whereas the veterans are not interested in a "tombstone bonus" payable after death as they want and need their bonus now, while they live, for themselves and families and every delay means that the rate of interest compounded semiannually is eating up the principal, resolving, demanding, endorsing the immediate cash payment of the bonus; to the Committee on Ways and Means.

526. Also, petition of Mahoning Veterans' Association of Youngstown, Ohio, urging Congress to favorably act on a program to provide full payment of the veterans' bonus bill at this time; to the Committee on Ways and Means.

527. Also, petition of the Ohio State Automobile Association, Columbus, Ohio, requesting both Houses of Congress, on behalf of the members of their organization, to allow the Federal gasoline tax to expire at the close of the present fiscal year, June 30, 1935, in accordance with the declared intent at the time it was passed; that it be not levied again in any way whatsoever and that the Federal Government permanently withdraw from the field of gasoline taxation and leave to the States exclusively the power and right to tax gasoline sales in the future; to the Committee on Ways and Means.

## SENATE

TUESDAY, JANUARY 29, 1935

(Legislative day of Monday, Jan. 21, 1935)

The Senate met, in executive session, at 12 o'clock meridian, on the expiration of the recess.

### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

### CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

|          |           |             |               |
|----------|-----------|-------------|---------------|
| Adams    | Connally  | King        | Radcliffe     |
| Ashurst  | Coolidge  | La Follette | Reynolds      |
| Austin   | Costigan  | Lewis       | Robinson      |
| Bachman  | Couzens   | Logan       | Russell       |
| Bailey   | Cutting   | Loneragan   | Schall        |
| Bankhead | Davis     | Long        | Schwellenbach |
| Barbour  | Dickinson | Maloney     | Sheppard      |
| Barkley  | Dieterich | McCarran    | Shipstead     |
| Bilbo    | Donahay   | McGill      | Smith         |
| Black    | Duffy     | McNary      | Stetwer       |
| Bone     | Fletcher  | Metcalf     | Thomas, Okla. |
| Borah    | Frazier   | Minton      | Thomas, Utah  |
| Brown    | Glass     | Moore       | Townsend      |
| Bulkeley | Gore      | Murphy      | Trammell      |
| Bulow    | Guffey    | Murray      | Truman        |
| Burke    | Hale      | Neely       | Vandenberg    |
| Byrd     | Harrison  | Norbeck     | Van Nuys      |
| Byrnes   | Hastings  | Norris      | Wagner        |
| Capper   | Hatch     | Nye         | Walsh         |
| Caraway  | Hayden    | O'Mahoney   | Wheeler       |
| Carey    | Johnson   | Pittman     | White         |
| Clark    | Keyes     | Pope        |               |

Mr. AUSTIN. I desire to announce that my colleague the junior Senator from Vermont [Mr. Gibson] is absent in the Philippines on business of the Senate.

Mr. LEWIS. I announce the absence of the Senator from New York [Mr. COPELAND] and the Senator from Rhode Island [Mr. GERRY], necessarily detained; the absence of

the Senator from Louisiana [Mr. OVERTON] and the Senator from Georgia [Mr. GEORGE], caused by illness; and I reannounce that the Senator from California [Mr. McADOO], the Senator from Maryland [Mr. TYDINGS], and the Senator-elect from Tennessee [Mr. McKELLAR], members of the Philippine Commission, have not as yet returned from their labors.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

### NOMINATIONS REFERRED AND WITHDRAWN

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations and withdrawing a nomination, which were referred to the appropriate committees, or ordered to lie on the table.

(For nominations this day received and nomination withdrawn, see the end of Senate proceedings.)

### BUSINESS TRANSACTED AS IN LEGISLATIVE SESSION

During the executive session the following legislative business was transacted by unanimous consent:

#### A. CYRIL CRILLEY

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Commerce, transmitting a draft of proposed legislation for the relief of A. Cyril Crilley, assistant trade commissioner and special disbursing officer of the Bureau of Foreign and Domestic Commerce, in the matter of a certain expenditure, which, with the accompanying paper, was referred to the Committee on Claims.

### INVESTIGATION OF PUBLIC-UTILITY CORPORATIONS

The VICE PRESIDENT laid before the Senate letters from the Chairman of the Federal Trade Commission, transmitting, pursuant to Senate Resolution 83, Seventieth Congress, first session (authorizing an investigation of public-utility corporations), chapter XIV, being the conclusions and recommendations of the Commission regarding utility corporations, which, with the accompanying report, were referred to the Committee on Interstate Commerce.

### PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following memorial of the Legislature of the State of Maine, which was referred to the Committee on Finance:

STATE OF MAINE,  
In the Year of Our Lord 1935.

Memorial to the Congress of the United States relating to the protection of newsprint pulp and pulpwood industry

To the honorable Senate and House of Representatives of the United States of America in Congress assembled:

We, your memorialists, the Senate and House of Representatives of the State of Maine in legislature assembled, respectfully petition your honorable bodies as follows:

Whereas the newsprint pulp and pulpwood industry constitutes one of the basic industrial activities of the State of Maine; and

Whereas many other industries and occupations are closely allied with and dependent upon the production of newsprint pulp and pulpwood, depending for their existence upon the successful continuance of this industry; and

Whereas the number of people directly and indirectly employed in the production of newsprint pulp and pulpwood constitute the largest single group of workers in any one industry in the State of Maine; and

Whereas the newsprint pulp and pulpwood industry is seriously threatened and menaced by the importation of foreign newsprint pulp and pulpwood in direct competition with the industry of this State: Now, therefore, be it

Resolved, That we, your memorialists, the Senate and House of Representatives of the State of Maine in legislature assembled, realizing the importance and value of the newsprint pulp and pulpwood industry to this State, do hereby respectfully petition, urge, and recommend the prompt enactment of such legislation as may be necessary and proper to limit and restrict the importation of foreign newsprint pulp and pulpwood; and be it further

Resolved, That this memorial be immediately transmitted by the secretary of state to the proper officers and committees of the United States Senate and House of Representatives, and a copy hereof transmitted to each of the Representatives and Senators representing the State of Maine in the United States Congress.

And your memorialists will ever pray.

House of representatives: Read and adopted January 17, 1935.

HARVEY R. PEASE, Clerk.

In senate chamber, January 22, 1935: Read and adopted.

ROYDEN V. BROWN, Secretary.